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NEW APPLICATION

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2004 JAN 30 P 4: 12

AZ CORP COMMISSION  
DOCUMENT CONTROL

1 ~~Richard D. Sallquist (602) 224-9222~~  
2 SALLQUIST & DRUMMOND, P.C.  
3 2525 E. Arizona Biltmore Circle, Suite 117  
4 Phoenix, Arizona 85016  
5 Telephone: (602) 224-9222  
6 Fax: (602) 224-9366  
7 Attorneys for Applicant

8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9 IN THE MATTER OF THE APPLICATION OF ) DOCKET NO. WS-\_\_\_\_-04-\_\_\_\_\_  
10 UTILITY SOURCE, L.L.C. FOR A )  
11 CERTIFICATE OF CONVENIENCE AND ) **APPLICATION**  
12 NECESSITY TO PROVIDE WATER AND )  
13 WASTEWATER SERVICE IN COCONINO )  
14 COUNTY, ARIZONA. ) **WS-04235A-04-0073**

15 Applicant, **Utility Source, L.L.C.** hereby submits the following in support of its  
16 Application. This Application is substantially in the form required by the Commission.

17 A. The name, address and telephone number of the Applicant is:

18 **Utility Source, L.L.C.**  
19 **721 E. San Pedro**  
20 **Gilbert, Arizona 85234**  
21 **(866) 768-3500**

22 B. If doing business (dba) under a name other than the Applicant name specify:

23 **N/A**

C. List name, address and telephone number of management contact:

**Pat Carpenter**  
**A Quality Water**  
**2879 S. Andrews**  
**Williams, Arizona 86046**  
**(928) 606-0498**

Arizona Corporation Commission  
**DOCKETED**  
JAN 30 2004

DOCKETED BY

*CR*

1 D. List the name, address and telephone number of the attorney for the Applicant:

2 **Richard L. Sallquist**  
3 **Sallquist & Drummond, P.C.**  
4 **2525 East Arizona Biltmore Circle, Suite A117**  
5 **Phoenix, Arizona 85016**  
6 **(602) 224-9222**

7 E. List the name, address and telephone number of the operator certified by the Arizona  
8 Department of Environmental Quality:

9 **Pat Carpenter**  
10 **A Quality Water**  
11 **2879 S. Andrews**  
12 **Williams, Arizona 86046**  
13 **(928) 606-0498**

14 F. List the name, address and telephone number of the on-site manager of the utility:

15 **Pat Carpenter**  
16 **A Quality Water**  
17 **2879 S. Andrews**  
18 **Williams, Arizona 86046**  
19 **(928) 606-0498**

20 G. The Applicant is a:

21 ☐ Corporation:

22 1. ☐ "C", ☐ "S", ☐ Non-profit

23 2. ☐ Arizona, ☐ Foreign

☐ Partnership:

1. ☐ Limited, ☐ General

2. ☐ Arizona, ☐ Foreign

☒ Limited Liability Company (LLC):

☐ Sole Proprietorship

☐ Other (specify) \_\_\_\_\_

1 H. If Applicant is a corporation:

2 1. List names of Officers and Directors: N/A

3 Officers

Directors

4 2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the  
5 Corporations Division of the Arizona Corporation Commission.

6 N/A

7 3. Attach a copy of the Articles of Incorporation.

8 N/A

9 4. Attach a copy of the corporation's By-Laws.

10 N/A

11 5. If a for-profit corporation, indicate the number of shares  
12 of stock authorized for issue: N/A

13 6. If stock has been issued, indicate the number of shares  
14 issued and date of issue: N/A

15 I. If the Applicant is a partnership: N/A

16 1. List the names of the general partners: N/A

17 2. List the name, address and telephone number of the managing partners: N/A

18 3. Attach a copy of the Partnership's Articles of Partnership. N/A

19 If the Applicant is a foreign limited partnership, provide a copy of the Partnership's  
20 "Certificate of Registration" filed with the Arizona Secretary of State. N/A

21 J. If the Applicant is a sole proprietor, list the name, address and telephone number of the  
22 proprietor: N/A

1 K. If the Applicant is a Limited Liability Company:

2 1. List the names of managers: **Lonnie McCleve**

3 L. List the names and addresses of any other public utility interest which the applicant may  
4 have: **None**

5 M. Attach a legal description of the area requested by either CADASTRAL (quarter section  
6 description) or Metes and Bounds survey. References to parcels and dockets will not be  
accepted. **Please see Attachment 1.**

7 N. Attach a detailed map using the form provided as Attachment "B". Shade and outline, the  
8 area requested. Also indicate any other utility within the general area using different colors  
9 of shading and outline. **Please see Attachment 2. Please see letter from Bellemont  
Water Company, Attachment 3.**

10 O. Attach financial information in a format similar to Attachment "C". **Please see Attachment  
4.**

11 P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use  
12 additional sheets if necessary)

13 **Please see Companion Financing Application.**

14 Q. Estimated starting and completion dates of construction of utility facilities.

15 **Started: First Quarter, 2002**

**Completed: Phase I Fourth Quarter, 2003**

**Phase II Third Quarter, 2004**

16 R. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless  
17 another form is approved by the Utilities Division prior to the filing of this application.  
18 **Please see Attachment 5.**

19 S. Attach the following permits:

20 1. The franchise from either the City or County for the area requested. **To be late filed  
as Attachment 6.**

21 2. The Arizona Department of Environmental Quality (or its designee's) approval to  
22 construct facilities. **Please see Attachment 7.**

23 3. The Arizona State Land Department approval. (If you are including any State land  
in your requested area this approval is needed). **N/A**

4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed). N/A

5. A copy of the "Certified Statement of Property Taxes" issued by the Arizona Department of Revenue. N/A

6. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of either the utility's Designation of an Assured Water Supply or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources. N/A

If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer. N/A

If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested. N/A

T. Provide the following information: **Please see Attachment 4 and Requests for Service in Attachment 8 hereto.**

1. Indicate estimated number of customers, by class, to be served in each of the first five years of operation?

Residential:

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

Commercial:

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

Industrial:

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

Irrigation:

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

Other: (specify)

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

2. Indicate the projected annual water consumption, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

Commercial:

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

Industrial:

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

Irrigation:

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

Other: (specify)

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

- 1 3. Indicate the total estimated annual operating revenue for  
2 each of the first five years of operation:

3 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

4 Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

- 5 4. Indicate total estimated annual operating expenses for each  
6 of the first five years of operation:

7 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

8 Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

- 9 5. Attach an itemized list of the major components of the water sewer system (see  
10 attachment C-3).

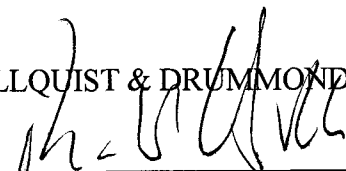
11 **Please see Attachment 4, Schedule 8 and 9.**

- 12 6. Indicate the total estimated cost to construct utility facilities:

13 U. **The form of notice mailed to property owners within the requested area is attached as  
Attachment 9. The certificate of mailing will be late filed upon completion.**

14 DATED this 30<sup>th</sup> day of January, 2004.

15 SALLQUIST & DRUMMOND, P.C.

16 By 

17 Richard L. Sallquist

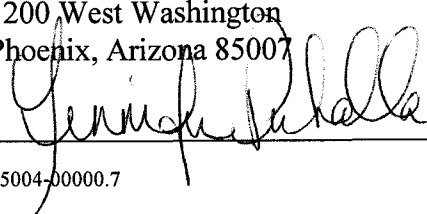
2525 E. Arizona Biltmore Circle, Suite A117

Phoenix, Arizona 85016-2129

Attorneys for Utility Source, L.L.C.

19 Original and fifteen copies of the  
20 foregoing filed this 30<sup>th</sup> day of  
January, 2004, with:

21 Docket Control  
22 Arizona Corporation Commission  
1200 West Washington  
23 Phoenix, Arizona 85007

  
25004-00000.7

## ATTACHMENTS

1. LEGAL DESCRIPTION
2. MAP OF REQUESTED AREA
3. BELLEMONT WATER COMPANY LETTER
4. PROFORMA FINANCIAL STATEMENTS
5. PROPOSED TARIFF
6. COUNTY FRANCHISE (LATE FILED)
7. ADEQ APPROVALS
8. REQUEST FOR SERVICE
9. NOTICE TO CUSTOMERS



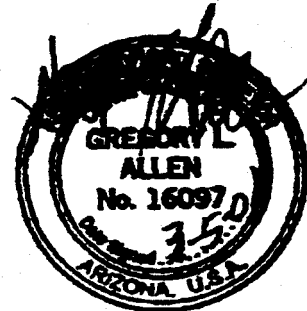
1

LEGAL DESCRIPTION  
COMMERCIAL PROPERTY 1

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1,  
THENCE SOUTH 00°33'42" EAST, ALONG THE EAST LINE OF SAID SECTION 1, A DISTANCE OF 2649.29 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 1,  
THENCE NORTH 89°58'18" WEST, ALONG THE EAST-WEST MIDSECTION LINE, A DISTANCE OF 436.63 FEET,  
THENCE NORTH 60°03'20" WEST, 1054.40 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 60°03'20" WEST, 1524.14 FEET,  
THENCE NORTH 00°10'07" WEST, 1293.62 FEET TO THE BEGINNING OF A 621.87 FOOT RADIUS NON-TANGENT CURVE, CONCAVE TO THE SOUTHWEST, A RADIAL TO SAID BEGINNING BEARS NORTH 11°35'25" EAST,  
THENCE SOUTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 32°15'52" AN ARC DISTANCE OF 350.19 FEET,  
THENCE NON-TANGENT TO SAID CURVE, SOUTH 46°08'35" EAST, 2064.53 FEET,  
THENCE SOUTH 13°20'56" WEST, 308.95 FEET,  
THENCE NORTH 60°13'33" WEST, 277.14 FEET,  
THENCE SOUTH 27°47'14" WEST, 339.37 FEET TO THE POINT OF BEGINNING.



## LEGAL DESCRIPTION COMMERCIAL PROPERTY 2

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1,  
THENCE SOUTH  $00^{\circ}33'42''$  EAST, ALONG THE EAST LINE OF SAID SECTION 1, A DISTANCE OF 2649.29 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 1 AND POINT OF BEGINNING;

THENCE NORTH  $89^{\circ}58'18''$  WEST, ALONG THE EAST-WEST MIDSECTION LINE, A DISTANCE OF 436.63 FEET,

THENCE NORTH  $60^{\circ}03'20''$  WEST, 626.11 FEET,

THENCE NORTH  $13^{\circ}20'56''$  EAST, 646.21 FEET,

THENCE SOUTH  $46^{\circ}08'35''$  EAST, 1149.04 FEET,

THENCE SOUTH  $00^{\circ}33'42''$  EAST, 145.38 FEET TO THE POINT OF BEGINNING.



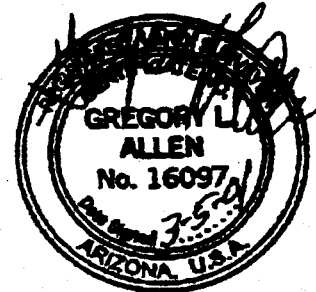
# LEGAL DESCRIPTION

## TRACT A - SEWER TREATMENT PLANT

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1,  
 THENCE SOUTH  $00^{\circ}33'42''$  EAST, ALONG THE EAST LINE OF SAID SECTION 1, A DISTANCE OF 2649.29 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 1,  
 THENCE NORTH  $89^{\circ}58'18''$  WEST, ALONG THE EAST-WEST MIDSECTION LINE, A DISTANCE OF 436.63 FEET,  
 THENCE NORTH  $60^{\circ}03'20''$  WEST, 688.72 FEET TO THE POINT OF BEGINNING;

THENCE NORTH  $60^{\circ}03'20''$  WEST, 365.68 FEET,  
 THENCE NORTH  $27^{\circ}47'14''$  EAST, 339.37 FEET,  
 THENCE SOUTH  $60^{\circ}13'33''$  EAST, 277.14 FEET,  
 THENCE SOUTH  $13^{\circ}20'56''$  WEST, 354.73 FEET TO THE POINT OF BEGINNING.



# LEGAL DESCRIPTION 60' DRAINAGE & SEWER EASEMENT

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1,  
THENCE SOUTH 00°33'42" EAST, ALONG THE EAST LINE OF SAID SECTION 1, A DISTANCE OF 2649.29 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 1,  
THENCE NORTH 89°58'18" WEST, ALONG THE EAST-WEST MIDSECTION LINE, A DISTANCE OF 436.63 FEET,  
THENCE NORTH 60°03'20" WEST, 626.11 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 60°03'20" WEST, 62.61 FEET,  
THENCE NORTH 13°20'56" EAST, 663.68 FEET,  
THENCE SOUTH 46°08'35" EAST, 69.64 FEET,  
THENCE SOUTH 13°20'56" WEST, 646.21 FEET TO THE POINT OF BEGINNING.



## LEGAL DESCRIPTION

A PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE & MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1;

THENCE SOUTH  $89^{\circ}58'34''$  WEST ALONG THE NORTH LINE OF SAID SECTION 1 A DISTANCE OF 1054.69 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH  $00^{\circ}00'26''$  WEST, 175.29 FEET;  
THENCE NORTH  $89^{\circ}59'34''$  WEST, 4.29 FEET TO A POINT ON A 50.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE TO THE NORTH, A RADIAL TO SAID BEGINNING BEARS NORTH  $66^{\circ}04'46''$  WEST;  
THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  $94^{\circ}04'48''$  AN ARC DISTANCE 82.10 FEET;  
THENCE SOUTH  $00^{\circ}01'16''$  WEST, 59.21 FEET;  
THENCE SOUTH  $05^{\circ}02'40''$  EAST, 62.81 FEET;  
THENCE SOUTH  $04^{\circ}34'33''$  EAST, 41.61 FEET;  
THENCE SOUTH  $06^{\circ}20'34''$  EAST, 50.65 FEET;  
THENCE SOUTH  $02^{\circ}07'19''$  EAST, 12.81 FEET;  
THENCE SOUTH  $06^{\circ}54'50''$  WEST, 35.04 FEET;  
THENCE SOUTH  $05^{\circ}21'29''$  WEST, 55.18 FEET;  
THENCE SOUTH  $04^{\circ}24'02''$  WEST, 75.75 FEET;  
THENCE SOUTH  $01^{\circ}38'14''$  EAST, 78.84 FEET;  
THENCE SOUTH  $06^{\circ}54'50''$  EAST, 58.23 FEET;  
THENCE SOUTH  $04^{\circ}45'56''$  EAST, 59.38 FEET;  
THENCE SOUTH  $00^{\circ}00'00''$  WEST, 22.50 FEET;  
THENCE SOUTH  $06^{\circ}10'22''$  WEST, 43.49 FEET;  
THENCE SOUTH  $43^{\circ}51'25''$  WEST, 55.43 FEET;  
THENCE SOUTH  $46^{\circ}08'35''$  EAST, 498.20 FEET;  
THENCE SOUTH  $03^{\circ}11'18''$  WEST, 192.67 FEET;  
THENCE SOUTH  $43^{\circ}51'25''$  WEST, 133.87 FEET;  
THENCE NORTH  $46^{\circ}08'35''$  WEST, 1921.95 FEET TO A POINT ON A 701.87 FOOT RADIUS TANGENT CURVE CONCAVE TO THE SOUTHWEST;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  $28^{\circ}21'22''$  AN ARC DISTANCE OF 347.36;

THENCE NORTH  $89^{\circ}58'34''$  EAST ALONG THE NORTH LINE OF SAID SECTION 1, 1531.47 FEET TO THE POINT OF BEGINNING.

A PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP  
21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE &  
MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY  
DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 1;

THENCE SOUTH  $00^{\circ}33'42''$  EAST ALONG THE EAST LINE OF SAID  
SECTION A DISTANCE OF 2503.91 FEET;

THENCE NORTH  $46^{\circ}08'35''$  WEST A DISTANCE OF 1149.04 FEET;  
THENCE SOUTH  $13^{\circ}20'56''$  WEST A DISTANCE OF 646.21 FEET;  
THENCE NORTH  $60^{\circ}03'20''$  WEST A DISTANCE OF 428.29 FEET;  
THENCE NORTH  $27^{\circ}47'14''$  EAST A DISTANCE OF 339.37 FEET;  
THENCE SOUTH  $60^{\circ}13'33''$  EAST A DISTANCE OF 277.14 FEET;  
THENCE NORTH  $00^{\circ}12'57''$  EAST A DISTANCE OF 367.81 FEET;  
THENCE NORTH  $46^{\circ}08'35''$  WEST A DISTANCE OF 1967.51 FEET TO  
THE BEGINNING OF A 621.87 FOOT RADIUS TANGENT CURVE  
CONCAVE TO THE SOUTHWEST, A RADIAL TO SAID BEGINNING  
BEARS SOUTH  $43^{\circ}51'25''$  WEST;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL  
ANGLE OF  $32^{\circ}16'00''$ , AN ARC DISTANCE OF 350.21 FEET;

THENCE NON-TANGENT TO SAID CURVE NORTH  $00^{\circ}13'44''$  WEST A  
DISTANCE OF 67.12 FEET;

THENCE NORTH  $89^{\circ}58'34''$  EAST A DISTANCE OF 62.91 FEET TO  
THE BEGINNING OF A 701.87 FOOT RADIUS NON-TANGENT CURVE  
CONCAVE TO THE SOUTHWEST, A RADIAL TO SAID BEGINNING  
BEARS SOUTH  $15^{\circ}30'04''$  WEST;

THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL  
ANGLE OF  $28^{\circ}21'21''$ , AN ARC DISTANCE OF 347.36 FEET;

THENCE TANGENT TO SAID CURVE SOUTH  $46^{\circ}08'35''$  EAST A  
DISTANCE OF 1921.95 FEET;

THENCE NORTH  $43^{\circ}51'25''$  EAST A DISTANCE OF 133.87 FEET;  
THENCE NORTH  $03^{\circ}11'18''$  EAST A DISTANCE OF 192.67 FEET;  
THENCE NORTH  $46^{\circ}08'35''$  WEST A DISTANCE OF 498.20 FEET;  
THENCE NORTH  $43^{\circ}51'25''$  EAST A DISTANCE OF 55.43 FEET;  
THENCE NORTH  $06^{\circ}10'22''$  EAST A DISTANCE OF 43.49 FEET;  
THENCE NORTH  $00^{\circ}00'00''$  EAST A DISTANCE OF 22.50 FEET;  
THENCE NORTH  $04^{\circ}45'56''$  WEST A DISTANCE OF 59.38 FEET;  
THENCE NORTH  $06^{\circ}54'50''$  WEST A DISTANCE OF 58.23 FEET;  
THENCE NORTH  $01^{\circ}38'14''$  WEST A DISTANCE OF 78.84 FEET;  
THENCE NORTH  $04^{\circ}24'02''$  EAST A DISTANCE OF 75.75 FEET;  
THENCE NORTH  $05^{\circ}21'29''$  EAST A DISTANCE OF 55.18 FEET;  
THENCE NORTH  $06^{\circ}54'50''$  EAST A DISTANCE OF 35.04 FEET;  
THENCE NORTH  $02^{\circ}07'19''$  WEST A DISTANCE OF 12.81 FEET;  
THENCE NORTH  $06^{\circ}20'34''$  WEST A DISTANCE OF 50.65 FEET;  
THENCE NORTH  $04^{\circ}34'33''$  WEST A DISTANCE OF 41.61 FEET;  
THENCE NORTH  $05^{\circ}02'40''$  WEST A DISTANCE OF 62.81 FEET;  
THENCE NORTH  $00^{\circ}01'16''$  EAST A DISTANCE OF 59.21 FEET;  
THENCE SOUTH  $89^{\circ}59'34''$  EAST A DISTANCE OF 73.46 FEET;  
THENCE NORTH  $00^{\circ}00'26''$  EAST A DISTANCE OF 175.29 FEET;  
THENCE NORTH  $89^{\circ}58'34''$  EAST ALONG THE NORTH LINE OF  
SECTION 1 A DISTANCE OF 1054.69 FEET TO THE POINT OF  
BEGINNING.

EXHIBIT "A"

NO. 104071

Parcel 1:

The South half of the Southwest quarter of the Southwest quarter of Section 36, Township 22 North, Range 5 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona.

EXCEPTING that part thereof lying within the following described property:

BEGINNING at the Southwest corner of Section 36; thence North  $1^{\circ}04' 20''$  West along the West line of said Section 36, a distance of 226.39 feet to a point on the Northerly right-of-way line of Interstate Route 40; thence South  $67^{\circ}26' 30''$  East, continuing along said right-of-way line a distance of 155.49 feet to a point; thence along a curve concave to the North with a radius of 743.51 feet, a distance of 386.20 feet to a point; thence South  $89^{\circ}48' 50''$  East, a distance of 113.98 feet; thence South  $0^{\circ}11' 10''$  West, a distance of 42.00 feet; thence South  $89^{\circ}48' 50''$  East, a distance of 445.97 feet to a point on the South line of Section 36; thence South  $88^{\circ}43' 50''$  West along the South line of Section 36, a distance of 1,068.17 feet to the point of beginning;

TOGETHER WITH all access rights and rights of ingress and egress appurtenant and incident to the adjacent lands as set forth in Final Order of Condemnation recorded in Docket 218, Page 88.

#5



Parcel 2:

A parcel of land located in the Southwest quarter of Section 36, Township 22 North, Range 5 East, Coconino County, Arizona, described as follows:

COMMENCING for reference at the Southwest corner of said Section 36; thence North 01 degrees 04 minutes 20 seconds West, 226.39 feet to a found Arizona Highway Department (AHD) brass cap marked "3+97.25" on the northerly right-of-way line of U.S. Interstate Highway 40, as shown on Sheet 27, Project No. I-40-3(14)175 of the Right-of-Way Plans of the Ashfork-Flagstaff Highway; thence North 01 degrees 04 minutes 20 seconds West, 436.71 feet along the west line of said Section 36 to a found U.S.D.A. Forest Service brass cap marked "S-S 1/64 S35/S36 RLS 9431 1989"; thence South 89 degrees 48 minutes 40 seconds East, 666.46 feet to a found 5/8 inch rebar and the POINT OF BEGINNING; thence continuing South 89 degrees 48 minutes 40 seconds East, 668.01 feet to a set 1/2 inch rebar with plastic cap marked "RLS 18215"; thence South 00 degrees 21 minutes 26 seconds East, 659.00 feet to a set 1/2 inch rebar with plastic cap marked "RLS 18215" on the southerly line of said Section 36; thence North 89 degrees 58 minutes 08 seconds West, 184.23 feet along said southerly line of said Section 36 to a found 1-1/2 inch aluminum cap with illegible markings; thence North 02 degrees 26 minutes 22 seconds West, 24.09 feet to a found AHD brass cap marked "116+19.34" on said northerly right-of-way line of U.S. Interstate Highway 40; thence North 89 degrees 48 minutes 28 seconds West, 74.44 feet along said right-of-way line to a set 1/2 inch rebar with plastic cap marked "RLS 18215"; thence South 89 degrees 59 minutes 29 seconds West, 408.35 feet along said right-of-way line to a found AHD brass cap marked "POT"; thence North 00 degrees 21 minutes 59 seconds West, 636.85 feet to the POINT OF BEGINNING.

PARCEL NO. 3:

A parcel of land located in the Southwest quarter of Section 36, Township 22 South, Range 5 East, Coconino County, Arizona, described as follows:

COMMENCING for reference at the Southwest corner of said Section 36; thence North 01 degrees 04 minutes 20 seconds West, 226.39 feet, to a found Arizona Highway Department (AHD) brass cap marked "3+97.25" on the northerly right-of-way line of U.S. Interstate Highway 40, as shown on Sheet 27, Project No. I-40-3(14)175 of the Right-of-Way Plans of the Ashfork-Flagstaff Highway; thence North 01 degrees 04 minutes 20 seconds West, 436.71 feet along the West line of said Section 36 to a found U.S.D.A. Forest Service brass cap marked "S-S 1/64 S35/S36 RLS 9431 1989"; thence South 89 degrees 48 minutes 40 seconds East, 1334.47 feet to a set 1/2 inch rebar with plastic cap marked "RLS 18215"; thence South 00 degrees 21 minutes 26 seconds East, 433.66 feet; thence South 89 degrees 32 minutes 08 seconds West, 190.28 feet to the POINT OF BEGINNING; thence continuing South 89 degrees 32 minutes 08 seconds West, 46.10 feet; thence South 00 degrees 27 minutes 52 seconds East, 53.31 feet; thence South 60 degrees 20 minutes 24 seconds East, 121.93 feet; thence North 29 degrees 39 minutes 36 seconds East, 42.00 feet; thence North 60 degrees 20 minutes 24 seconds West, 93.00 feet; thence North 00 degrees 27 minutes 52 seconds West, 31.50 feet to the POINT OF BEGINNING.

PARCEL 4:

The West 400 feet of the South 660 feet of the East half of the Southwest quarter of Section 36, Township 22 North, Range 5 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona.

2

COUNTY: Coconino

RANGE 5 East

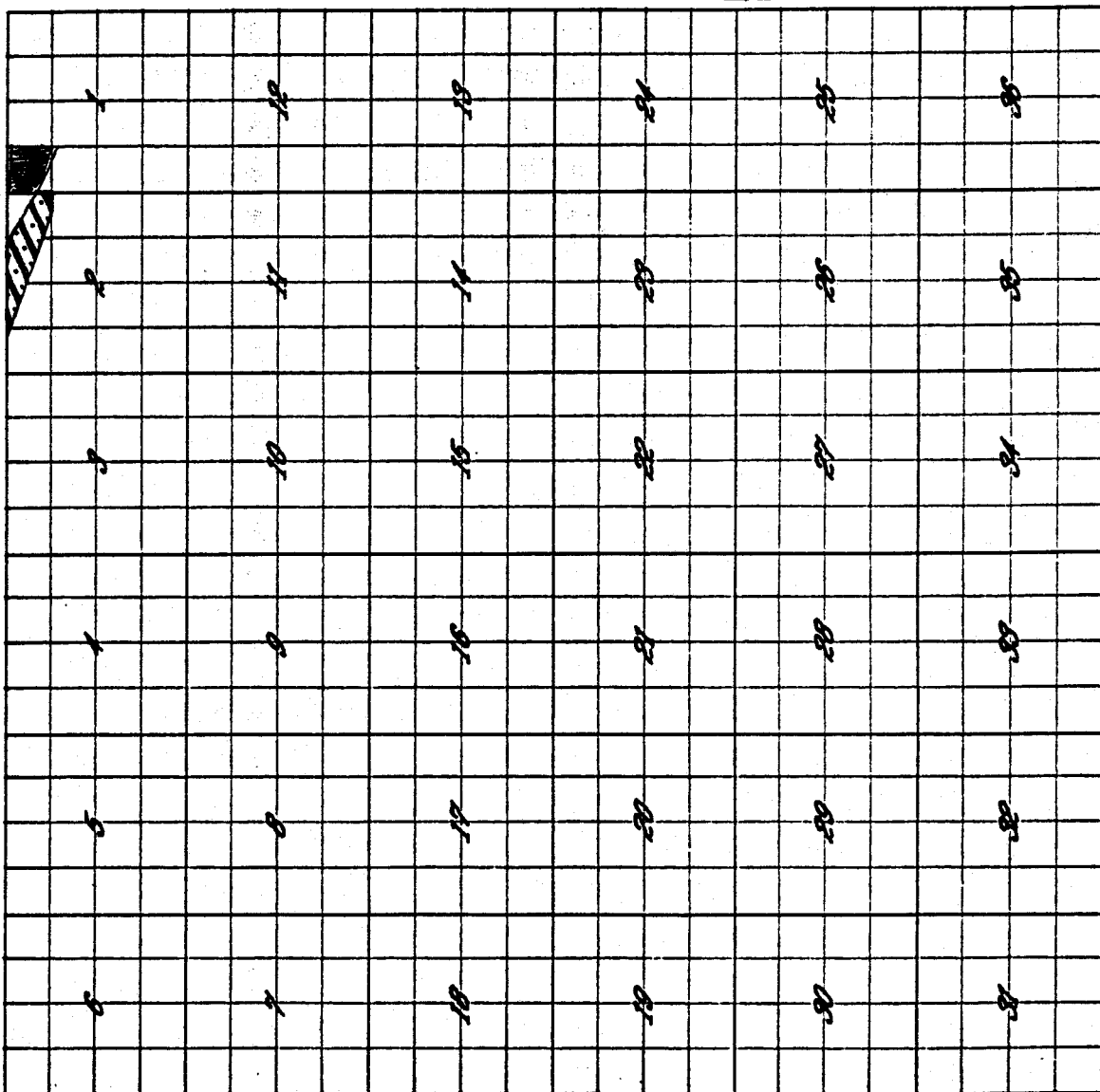
TOWNSHIP 21 North



U-2526 (2)  
Bellemont Water Company



Utility Source, LLC  
(Water and Sewer)



Map No. 26

COUNTY: Coconino

RANGE 5 East

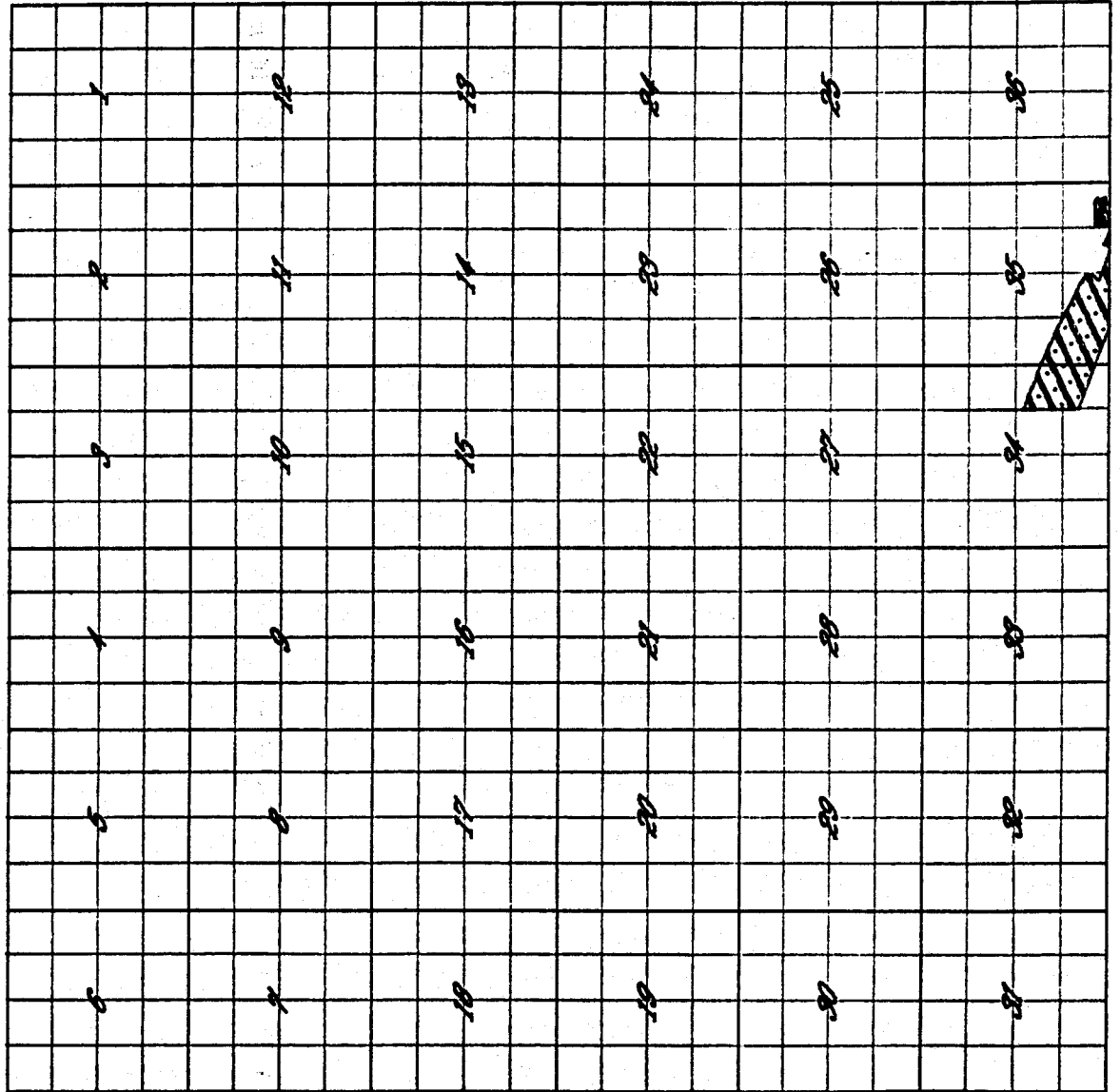
TOWNSHIP 22 North



U-2526 (2)  
Bellemont Water Company



Utility Source, LLC  
(Water and Sewer)



3

Bellefont Water Company

Louise McCleave  
Utility Source, L.L.C.  
21 E. San Pedro  
Gilbert, Arizona 85233

Re: Utility Source near Bellefont

Dear Louise:

Consistent with our recent conversation, Bellefont Water Company does not provide any wastewater service, nor do we have capacity to serve water to your development of Flagstaff Meadows and adjacent properties on the north side of I-40. We have no objection to your seeking a Certificate of Convenience and Necessity for those services.

Sincerely,

*Nona McClain*

Nona McClain

01-26-04

ATTACHMENT 3

4



# **UTILITY SOURCE, L.L.C.**



## **PROFORMA FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES**

Cover

# **UTILITY SOURCE, L.L.C.**

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<b>SCHEDULE 4</b>	<b>Estimated Property Taxes</b>
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# UTILITY SOURCE, L.L.C.

## PROFORMA CONSOLIDATED INCOME STATEMENT

	2004	Year Two	Year Three	Year Four	Year Five
<b>REVENUES</b>					
Water Revenues	\$57,758	\$99,778	\$128,071	\$151,946	\$175,821
Wastewater Revenues	\$37,825	\$65,155	\$83,556	\$99,084	\$114,612
Total Revenues	\$95,583	\$164,933	\$211,626	\$251,030	\$290,433
<b>EXPENSES</b>					
Water Operating Expenses	\$101,518	\$140,604	\$167,278	\$191,516	\$231,825
Wastewater Operating Expenses	\$111,462	\$84,516	\$105,856	\$124,898	\$154,683
Total Operating Expenses	\$212,980	\$225,120	\$273,134	\$316,413	\$386,509
Operating Income (Loss)	(\$117,396)	(\$60,187)	(\$61,507)	(\$65,384)	(\$96,075)
Water Interest Expense	\$0	\$0	\$0	\$0	\$0
Wastewater Interest Expense	\$0	\$0	\$0	\$0	\$0
Total Interest Expense	\$0	\$0	\$0	\$0	\$0
Net Income (Loss)	(\$117,396)	(\$60,187)	(\$61,507)	(\$65,384)	(\$96,075)

# UTILITY SOURCE, L.L.C.

## PROFORMA WATER INCOME STATEMENT

	2004	Year Two	Year Three	Year Four	Year Five
<b>REVENUES</b>					
Minimum Charges/Month	\$6.48	\$6.48	\$6.48	\$6.48	\$6.48
Gallons Included	0	0	0	0	0
Excess Gallonage Charge/1000 for Residential/Commercial					
First 5,000 Gallons	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83
Next 10,000 Gallons	\$3.32	\$3.32	\$3.32	\$3.32	\$3.32
Over 15,000 Gallons	\$4.71	\$4.71	\$4.71	\$4.71	\$4.71
Existing Customers	74				
New Customers	215	137	100	100	100
Year End Customers	289	426	526	626	726
Number of Residential Customers (Avg.)	182	358	476	576	676
Sales Revenues (1)	\$43,333	\$85,354	\$113,646	\$137,521	\$161,396
Number of Commercial Customers (Avg.)	2	2	2	2	2
Microtel	\$4,460	\$4,460	\$4,460	\$4,460	\$4,460
Travel Center	\$9,964	\$9,964	\$9,964	\$9,964	\$9,964
Sales Revenues (2)	\$14,425	\$14,425	\$14,425	\$14,425	\$14,425
Total Revenues	\$57,758	\$99,778	\$128,071	\$151,946	\$175,821
<b>EXPENSES</b>					
Pumping costs	\$5,425	\$9,429	\$12,126	\$14,401	\$16,676
Cost/1000	\$0.40				
Operations and Maintenance					
Cost/Unit/Month	\$5.00	\$11,010	\$21,570	\$34,680	\$40,680
Management					
Cost/Unit/Month	\$7.00	\$15,414	\$30,198	\$48,552	\$56,952
Insurance:					
Liability/Month	\$75.00	\$900	\$900	\$900	\$900
Property/Month	\$75.00	\$900	\$900	\$900	\$900
Automotive/Year	\$0.00	\$0	\$0	\$0	\$0
Vehicle/Month	\$100.00	\$2,400	\$2,400	\$1,200	\$1,200
Depreciation					
Depreciable Plant		\$1,451,750	\$2,107,250	\$2,457,250	\$3,107,250
Composite Rate	3.45%				
Total Depreciation		\$64,495	\$72,610	\$84,670	\$107,067
Property Taxes (Schedule 4)		\$940	\$2,563	\$4,647	\$6,179
Income Taxes (Schedule 5) (3)		\$34	\$34	\$34	\$34
Total Operating Expenses		\$101,518	\$140,604	\$191,516	\$231,825
Operating Income(Loss)		(\$43,760)	(\$40,826)	(\$39,570)	(\$56,005)
<b>Interest Expense</b>					
Outstanding Debt		\$0	\$0	\$0	\$0
Interest Rate	0.00%				
Long Term Interest Expense Total		\$0	\$0	\$0	\$0
Working Capital Interest at:	0.00%	\$0	\$0	\$0	\$0
Total Interest Expense		\$0	\$0	\$0	\$0
Net Income (Loss)		(\$43,760)	(\$40,826)	(\$39,570)	(\$56,005)
<b>Original Cost Rate Base</b>					
Return on OCLD of:		\$1,539,305	\$1,957,795	\$1,934,155	\$1,874,485
		-2.84%	-2.09%	-2.03%	-2.11%
					\$2,267,418
					-2.47%

**FOOTNOTES**

			In Gallons, except Unit #				
(1) Average Residential Sales/Month			4,740	4,740	4,740	4,740	4,740
Res Sales/Year in Gallons			10,323,720	20,334,600	27,074,880	32,762,880	38,450,880
(2) Average Commercial Sales	Consumption /Mo Bill / Month						
Microtel Inn	90,942	\$371.68	1,091,304	1,091,304	1,091,304	1,091,304	1,091,304
Bellemont Travel Center	178,985	\$830.36	2,147,820	2,147,820	2,147,820	2,147,820	2,147,820
Total Non-irrigation Sales/Year			13,562,844	23,573,724	30,314,004	36,002,004	41,690,004
(3) Ratioed on Rate Base							
Average Residential Bill			\$19.90	\$19.90	\$19.90	\$19.90	\$19.90

Water Income

**SCHEDULE 1**

Page 2 of 4

# UTILITY SOURCE, L.L.C.

## NEW CUSTOMERS

	2004	2005	2006	2007	2008
Existing Customers	74				
Flagstaff Meadows-Townhomes	105				
Flagstaff Meadows	60				
Flagstaff Meadows II	50	37			
Flagstaff Meadows-Townhomes II		50			
Flagstaff Meadows III		50			
Townhomes			50	50	50
Single Family			50	50	50
Total Residential	289	137	100	100	100
Microtel Inn	1	1	1	1	1
Bellemont Travel Center	1	1	1	1	1
Total Commercial	2	2	2	2	2
Grand Total	291	139	102	102	102

	Water Consumption	Monthly Water Bill	Monthly Sewer Bill
Average Monthly Residential Consumption	4,740	\$19.90	\$12.94
Average Monthly Consumption Microtel Inn	90,942	\$371.68	\$325.57
Average Monthly Consumption Bellemont Travel Center	178,985	\$830.36	\$477.89

# UTILITY SOURCE, L.L.C.

## PROFORMA WASTEWATER INCOME STATEMENT

		2004	Year Two	Year Three	Year Four	Year Five
<b>REVENUES</b>						
Minimum Charges/Month	Monthly \$12.94	\$12.94	\$12.94	\$12.94	\$12.94	\$12.94
Number of Residential Customers (Avg.)		182	358	476	576	676
Residential Revenues		\$28,184	\$55,513	\$73,914	\$89,443	\$104,971
Number of Commercial Customers (Avg.)		2	2	2	2	2
Microtel	\$325.57	\$3,907	\$3,907	\$3,907	\$3,907	\$3,907
Travel Center	\$477.89	\$5,735	\$5,735	\$5,735	\$5,735	\$5,735
Commercial Revenues		\$9,642	\$9,642	\$9,642	\$9,642	\$9,642
Total Revenues		\$37,825	\$65,155	\$83,556	\$99,084	\$114,612
Total Revenues		\$37,825	\$65,155	\$83,556	\$99,084	\$114,612
<b>EXPENSES</b>						
Power Costs		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Operations and Maintenance						
Cost/Unit/Month	\$5.00	\$11,010	\$21,570	\$28,680	\$34,680	\$40,680
Service Installation	\$0	\$0	\$0	\$0	\$0	\$0
Management						
Cost/Unit/Month	\$7.00	\$15,414	\$30,198	\$40,152	\$48,552	\$56,952
Insurance:						
Liability/Month	\$75.00	\$900	\$900	\$900	\$900	\$900
Property/Month	\$75.00	\$900	\$900	\$900	\$900	\$900
Automotive/Year	\$500.00	\$500	\$500	\$500	\$500	\$500
Vehicle/Month	\$100.00	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Depreciation						
Depreciable Plant		\$887,225	\$1,051,625	\$1,171,625	\$1,321,625	\$1,921,625
Composite Rate	2.43%					
Total Depreciation		\$78,906	\$25,556	\$28,473	\$32,118	\$46,699
Property Taxes (Schedule 4)		\$615	\$1,675	\$3,035	\$4,032	\$4,836
Income Taxes (Schedule 5) (1)		\$16	\$16	\$16	\$16	\$16
Total Operating Expenses		\$111,462	\$84,516	\$105,856	\$124,898	\$154,683
Operating Income(Loss)		(\$73,636)	(\$19,361)	(\$22,300)	(\$25,813)	(\$40,071)
Interest Expense						
Outstanding Debt		\$0	\$0	\$0	\$0	\$0
Interest Rate	0.00%					
Long Term Interest Expense Total		\$0	\$0	\$0	\$0	\$0
Working Capital Interest at:	0.00%	\$0	\$0	\$0	\$0	\$0
Total Interest Expense		\$0	\$0	\$0	\$0	\$0
Net Income (Loss)		(\$73,636)	(\$19,361)	(\$22,300)	(\$25,813)	(\$40,071)
Original Cost Rate Base		\$733,344	\$707,788	\$679,315	\$647,197	\$1,050,499
Return on OCLD of:		-10.04%	-2.74%	-3.28%	-3.99%	-3.81%

# UTILITY SOURCE, L.L.C.

## PROFORMA CASH FLOW

	2005	Year Two	Year Three	Year Four	Year Five
<b>SOURCES OF CASH</b>					
Beginning Cash Balance	\$0	(\$995)	\$36,984	\$32,589	\$33,994
Net Income	(\$117,396)	(\$60,187)	(\$61,507)	(\$65,384)	(\$96,075)
Add: Depreciation Expense	\$143,401	\$98,166	\$107,112	\$116,788	\$153,766
Total Cash from Operations	\$26,005	\$37,979	\$45,605	\$51,404	\$57,691
Financing Proceeds	\$1,814,050	\$0	\$0	\$0	\$0
Water Line Extension Agreements	\$267,950	\$205,500	\$175,000	\$175,000	\$200,000
Wastewater Line Extension Agreements	\$179,975	\$164,400	\$120,000	\$150,000	\$150,000
Water Hook-Up Fees	\$215,000	\$137,000	\$100,000	\$100,000	\$100,000
Wastewater Hook-Up Fees	\$387,000	\$246,600	\$180,000	\$180,000	\$180,000
Hook-Up Reserve Account Drawdowns	\$0	\$450,000	\$0	\$0	\$900,000
Working Capital Loan	\$575,000	\$0	\$0	\$0	\$0
Total Cash Sources	\$3,464,980	\$1,240,484	\$657,589	\$688,994	\$1,621,684
<b>USES OF CASH</b>					
Plant Additions	\$2,863,975	\$819,900	\$295,000	\$325,000	\$1,250,000
Plant Replacement	\$0	\$0	\$0	\$0	\$0
Debt Repayment	\$0	\$0	\$0	\$0	\$0
Line Extension Agreement Refunds	\$0	\$0	\$0	\$0	\$0
Working Capital Repayment	\$0	\$0	\$50,000	\$50,000	\$75,000
Hook-Up Fee Reserve Account Deposits	\$602,000	\$383,600	\$280,000	\$280,000	\$280,000
Ending Cash Balance ( Including HUF Account Balance)	(\$995)	\$36,984	\$32,589	\$33,994	\$16,684
Total Cash Uses	\$3,465,975	\$1,203,500	\$625,000	\$655,000	\$1,605,000
Net Change in Cash	(\$995)	\$37,979	(\$4,395)	\$1,404	(\$17,309)

Cash Flow



# UTILITY SOURCE, L.L.C.

## WATER DEPRECIATION EXPENSE

Account Number	Description	Plant in Service	Staff Recommended Rates	Annual Depreciation Expense
301	Organization	\$0		
302	Franchise Cost	\$0		
303	Land and Land Rights	\$210,000		\$0
304	Structures and Improvements	\$23,000	2.50%	\$575
307	Wells and Springs	\$937,250	3.33%	\$31,239
310	Power Generation Equipment	\$0	5.00%	\$0
311	Electric Pumping Equipment	\$161,000	12.50%	\$20,125
320	Water Treatment Equipment	\$0	3.33%	\$0
330	Dist. Reservoir and Standpipe	\$272,550	2.22%	\$6,051
331	Transmission and Distribution Mains	\$147,200	2.00%	\$2,944
333	Services	\$86,250	3.33%	\$2,872
334	Meters	\$0	8.33%	\$0
335	Hydrants	\$34,500	2.00%	\$690
336	Backflow Prevention Devices	\$0	6.67%	\$0
339	Miscellaneous Equipment	\$0	6.67%	\$0
340	Office Furniture and Fixtures	\$0	6.67%	\$0
341	Transportation Equipment	\$0	20.00%	\$0
343	Tools and Work Equipment	\$0	5.00%	\$0
344	Laboratory Equipment	\$0	10.00%	\$0
345	Power Operated Equipment	\$0	5.00%	\$0
346	Communications Equipment	\$0	10.00%	\$0
347	Miscellaneous Equipment	\$0	10.00%	\$0
348	Other Tangible Plant	\$0	2.50%	\$0
<b>Totals</b>		<b>\$1,871,750</b>	<b>3.45%</b>	<b>\$64,495</b>

Water Depreciation  
**SCHEDULE 3**

**Page 1 of 2**

**UTILITY SOURCE, L.L.C.**  
**WASTEWATER DEPRECIATION EXPENSE**

<b>Account Number</b>	<b>Description</b>	<b>Plant in Service</b>	<b>Staff Recommended Rates</b>	<b>Annual Depreciation Expense</b>
301	Organization			
302	Franchise Cost			
303	Land and Land Rights	\$105,000		\$0
354	Structures and Improvements	\$56,350	3.33%	\$1,876
355	Power Generation Equipment	\$0	5.00%	\$0
361	Collection Sewers	\$2,395,000	2.00%	\$47,900
363	Services to Customers	\$179,975	2.00%	\$3,600
367	Reuse Meters & Meter Installations	\$0	8.33%	\$0
370	Receiving Wells	\$0	3.33%	\$0
380	Treatment & Disposal Equipment	\$510,600	5.00%	\$25,530
381	Plant Sewers	\$0	5.00%	\$0
394	Laboratory Equipment	\$0	10.00%	\$0
397	Miscellaneous Equipment	\$0	10.00%	\$0
<b>Totals</b>		<b>\$3,246,925</b>	<b>2.43%</b>	<b>\$78,906</b>

**UTILITY SOURCE, L.L.C.**  
**PROFORMA PROPERTY TAX COMPUTATION**  
 At Proposed Water Rates

	2002	2003	2004	2005	2006	2007	2008
Total Revenues	\$0.00	\$0.00	\$ 57,758	\$ 99,778	\$128,071	\$151,946	\$175,821
3-Year Average			\$ 19,253	\$ 52,512	\$ 95,202	\$126,598	\$151,946
Income Approach ( Two times Revenue )			\$38,505	\$105,024	\$190,405	\$253,196	\$303,891
CWIP @ 10%			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Full Cash Value			\$38,505	\$105,024	\$190,405	\$253,196	\$303,891
Assessment Ratio			25%	25%	25%	25%	25%
Assessed Value			\$9,626	\$26,256	\$47,601	\$63,299	\$75,973
Tax Rate per \$100 Valuation			\$9.76	\$9.76	\$9.76	\$9.76	\$9.76
Adjusted Property Tax			\$940	\$2,563	\$4,647	\$6,179	\$7,416

**UTILITY SOURCE, L.L.C.**  
**PROFORMA PROPERTY TAX COMPUTATION**  
At Proposed Wastewater Rates

	2002	2003	2004	2005	2006	2007	2008
Total Revenues	\$0.00	\$0.00	\$ 37,825	\$ 65,155	\$83,556	\$99,084	\$114,612
3-Year Average			\$ 12,608	\$ 34,327	\$ 62,179	\$82,598	\$99,084
Income Approach ( Two times Revenue )			\$25,217	\$68,654	\$124,358	\$165,197	\$198,168
CWIP @ 10%			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Full Cash Value			\$25,217	\$68,654	\$124,358	\$165,197	\$198,168
Assessment Ratio			25%	25%	25%	25%	25%
Assessed Value			\$6,304	\$17,163	\$31,089	\$41,299	\$49,542
Tax Rate per \$100 Valuation			\$9.76	\$9.76	\$9.76	\$9.76	\$9.76
Adjusted Property Tax			\$615	\$1,675	\$3,035	\$4,032	\$4,836

Wastewater Property Tax

**SCHEDULE 4**

# UTILITY SOURCE, L.L.C.

## INCOME TAX COMPUTATION

	2004	Year Two	Year Three	Year Four	Year Five
NET TAXABLE INCOME	(\$117,346)	(\$60,137)	(\$61,457)	(\$65,334)	(\$96,025)
State Income Tax Computation					
Taxable Income	(\$117,346)	(\$60,137)	(\$61,457)	(\$65,334)	(\$96,025)
LESS: State Tax	\$0	\$50	\$50	\$50	\$50
Net Operating Loss	\$0	(\$117,346)	(\$177,533)	(\$239,041)	(\$304,424)
Adjusted Income	(\$117,346)	(\$177,533)	(\$239,041)	(\$304,424)	(\$400,499)
State Tax Rate at :	9.00%	\$50	\$50	\$50	\$50
TOTAL ARIZONA TAXES	\$50	\$50	\$50	\$50	\$50
Federal Income Tax Computation					
Taxable Income	(\$117,346)	(\$60,137)	(\$61,457)	(\$65,334)	(\$96,025)
LESS: State Tax	\$50	\$50	\$50	\$50	\$50
Net Operating Loss	\$0	(\$117,396)	(\$177,583)	(\$239,091)	(\$304,474)
Adjusted Income	(\$117,396)	(\$177,583)	(\$239,091)	(\$304,474)	(\$400,549)
TAX CALCULATION					
\$0-50,000 15%	\$0	\$0	\$0	\$0	\$0
\$50-75,000 25%	\$0	\$0	\$0	\$0	\$0
\$75-100,000 34%	\$0	\$0	\$0	\$0	\$0
\$100-335,000 39%	\$0	\$0	\$0	\$0	\$0
\$335-OVER 34%	\$0	\$0	\$0	\$0	\$0
TOTAL FEDERAL TAXES	\$0	\$0	\$0	\$0	\$0
Effective Federal Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%
Total Federal and State Taxes	\$50	\$50	\$50	\$50	\$50
Allocation : Water	67.73%	\$34	\$34	\$34	\$34
Wastewater	32.27%	\$16	\$16	\$16	\$16
( Based on Rate Base )					
Effective State & Federal Tax Rate	-0.04%	-0.08%	-0.08%	-0.08%	-0.05%

### Income Tax SCHEDULE 5

# UTILITY SOURCE, L.L.C.

## PROFORMA BALANCE SHEET

	End 2004	Year Two	Year Three	Year Four	Year Five
<b>ASSETS</b>					
Cash	(\$995)	\$36,984	\$32,589	\$33,994	\$16,684
Water Land	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000
Production & Storage Plant in Service	\$1,661,750	\$2,317,250	\$2,492,250	\$2,667,250	\$3,317,250
Less: Accumulated Depreciation	(\$64,495)	(\$137,105)	(\$215,745)	(\$300,415)	(\$407,482)
Wastewater Land	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
Wastewater Plant/ Collection Plant in Service	\$887,225	\$1,051,625	\$1,171,625	\$1,321,625	\$1,921,625
Less: Accumulated Depreciation	(\$78,906)	(\$104,462)	(\$132,935)	(\$165,053)	(\$211,751)
Net Plant in Service	\$2,720,574	\$3,442,307	\$3,630,195	\$3,838,407	\$4,934,641
Hook-Up Fee Reserves					
Total Reserve Balance	\$602,000	\$535,600	\$815,600	\$1,095,600	\$475,600
<b>TOTAL ASSETS</b>	<b>\$3,321,579</b>	<b>\$4,014,892</b>	<b>\$4,478,384</b>	<b>\$4,968,001</b>	<b>\$5,426,926</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Current Liabilities	\$0	\$0	\$0	\$0	\$0
Deferred Credits:					
Water Advances	\$267,950	\$473,450	\$648,450	\$823,450	\$1,023,450
Less: Cumulative Refunds	\$0	\$0	\$0	\$0	\$0
Net Water Advances	\$267,950	\$473,450	\$648,450	\$823,450	\$1,023,450
Wastewater Advances	\$179,975	\$344,375	\$464,375	\$614,375	\$764,375
Less: Cumulative Refunds	\$0	\$0	\$0	\$0	\$0
Net Wastewater Advances	\$179,975	\$344,375	\$464,375	\$614,375	\$764,375
Contributions:					
Water HUF's	\$215,000	\$352,000	\$452,000	\$552,000	\$652,000
Wastewater HUF's	\$387,000	\$633,600	\$813,600	\$993,600	\$1,173,600
Total Deferred Credits	\$1,049,925	\$1,803,425	\$2,378,425	\$2,983,425	\$3,613,425
<b>CAPITAL</b>					
Common Stock Issued	\$1,814,050	\$1,814,050	\$1,814,050	\$1,814,050	\$1,814,050
Long Term Debt		\$0	\$0	\$0	\$0
Less: Repayment		\$0	\$0	\$0	\$0
Balance	\$0	\$0	\$0	\$0	\$0
Retained Earnings	(\$117,396)	(\$177,583)	(\$239,091)	(\$304,474)	(\$400,549)
Working Capital Loan	\$575,000	\$575,000	\$525,000	\$475,000	\$400,000
Total Capital	\$2,271,654	\$2,211,467	\$2,099,959	\$1,984,576	\$1,813,501
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>\$3,321,579</b>	<b>\$4,014,892</b>	<b>\$4,478,384</b>	<b>\$4,968,001</b>	<b>\$5,426,926</b>

Balance Sheet

### SCHEDULE 6

# UTILITY SOURCE, L.L.C.

## CONSOLIDATED CAPITAL STRUCTURE

First Year Capitalization	
Founder Capital	Total Capital
Type	Investor

	2005	Year Two	Year Three	Year Four	Year Five	Total
--	------	----------	------------	-----------	-----------	-------

Per Investor

<b>DEBT</b>	0%					
	100%	\$0	\$0	\$0	\$0	\$0
	100%	\$0	\$0	\$0	\$0	\$0

### EQUITY

(Member Interests)

Lonnie McCleve

\$1,814,050

\$0

\$0

100%	\$1,814,050	\$0	\$0	\$0	\$0	\$1,814,050
100%	\$1,814,050	\$0	\$0	\$0	\$0	\$1,814,050

### TOTAL CAPITAL ISSUANCE

### LINE EXTENSION AGREEMENTS

Water	\$267,950	\$205,500	\$175,000	\$175,000	\$200,000	\$1,023,450
Wastewater	\$179,975	\$164,400	\$120,000	\$150,000	\$150,000	\$764,375
Total	\$447,925	\$369,900	\$295,000	\$325,000	\$350,000	\$1,787,825

19.8%

### CONTRIBUTIONS

Water	\$0
Wastewater	\$0

0.0%
100%

### TOTAL CAPITAL ADDITIONS

\$2,261,975	\$369,900	\$295,000	\$325,000	\$350,000	\$3,601,875
-------------	-----------	-----------	-----------	-----------	-------------

### HOOK-UP FEE COLLECTIONS

Water	\$215,000	\$137,000	\$100,000	\$100,000	\$100,000	\$652,000
Wastewater	\$387,000	\$246,600	\$180,000	\$180,000	\$180,000	\$1,173,600
Total	\$602,000	\$383,600	\$280,000	\$280,000	\$280,000	\$1,825,600

Capital Structure

### SCHEDULE 7

Utility Source, L.L.C. CC&N

1/29/2004

# UTILITY SOURCE, L.L.C.

## WATER FACILITIES CONSTRUCTION BUBGET

Item	Committed Units	Cost per Unit	Cost Est. Nov-03	Company Funded	Developer Funded
<b>WATER PLANT</b>					
<b>YEAR ONE</b>					
COMMON FACILITIES			\$1,603,800	\$1,603,800	
ON-SITE FACILITIES	215	\$1,246	\$267,950		\$267,950
YEAR ONE TOTAL			<u>\$1,871,750</u>	<u>\$1,603,800</u>	<u>\$267,950</u>
<b>YEAR TWO</b>					
COMMON FACILITIES			\$450,000	\$450,000	
ON-SITE FACILITIES	137	\$1,500	\$205,500		\$205,500
YEAR TWO TOTAL			<u>\$655,500</u>	<u>\$450,000</u>	<u>\$205,500</u>
<b>YEAR THREE</b>					
COMMON FACILITIES			\$0	\$0	
ON-SITE FACILITIES	100	\$1,750	\$175,000		\$175,000
YEAR THREE TOTAL			<u>\$175,000</u>	<u>\$0</u>	<u>\$175,000</u>
<b>YEAR FOUR</b>					
COMMON FACILITIES					
ON-SITE FACILITIES	100	\$1,750	\$175,000		\$175,000
YEAR FOUR TOTAL			<u>\$175,000</u>	<u>\$0</u>	<u>\$175,000</u>
<b>YEAR FIVE</b>					
COMMON FACILITIES			\$450,000	\$450,000	
ON-SITE FACILITIES	100	\$2,000	\$200,000		\$200,000
YEAR FIVE TOTAL			<u>\$650,000</u>	<u>\$450,000</u>	<u>\$200,000</u>
<b>TOTAL WATER FACILITIES</b>	<u>652</u>		<u>\$3,527,250</u>	<u>\$2,503,800</u>	<u>\$1,023,450</u>
Equilient Units Served				652	
Cost per Equilient Unit				\$3,840	
Development Fee per Equivalent Unit				<span style="border: 1px solid black;">\$1,000</span>	
Percent of Common Facilities Total Cost				26.04%	



# UTILITY SOURCE, L.L.C.

## ESTIMATED COST (WATER)

NARUC Account No.		Item Description	Quantity	Unit	Unit Price	Sub-Total	Engineering @10%	Contingencies @ 5%	Total
BACKBONE FACILITIES									
301		Organization	1	ls	\$0	\$0		\$0	\$0
302		Franchise Cost	1	ls	\$0	\$0		\$0	\$0
303		Land and Land Rights	1	ls	\$200,000	\$200,000		\$10,000	\$210,000
304		Power Panel and Interconnect	1	ls	\$0	\$0	\$0	\$0	\$0
304		Well Enclosure	1	ls	\$20,000	\$20,000	\$2,000	\$1,000	\$23,000
304		Fencing	1	ls	\$0	\$0	\$0	\$0	\$0
307		Shallow Wells No 1, 2, & 3	1	ls	\$120,000	\$120,000	\$12,000	\$6,000	\$138,000
307		Deep Well No. 4	1	ls	\$185,000	\$185,000	\$18,500	\$9,250	\$212,750
307		Deep Well No. 5	1	ls	\$210,000	\$210,000	\$21,000	\$10,500	\$241,500
307		Deep Well No. 6	1	ls	\$300,000	\$300,000	\$30,000	\$15,000	\$345,000
310		Power Generation Equipment	1	ls	\$0	\$0	\$0	\$0	\$0
311		Well Pump, Pipes and Controls	1	ls	\$140,000	\$140,000	\$14,000	\$7,000	\$161,000
320		Water Treatment Equipment	1	ls	\$0	\$0	\$0	\$0	\$0
330		Site Grading	1	ls	\$0	\$0	\$0	\$0	\$0
330		258,000 Gallon Water Storage Tank	1	ls	\$95,000	\$95,000	\$9,500	\$4,750	\$109,250
330		422,000 Gallon Water Storage Tank	1	ls	\$142,000	\$142,000	\$14,200	\$7,100	\$163,300
330		Reservoir Piping and Appurtenances	1	ls	\$0	\$0	\$0	\$0	\$0
339		Miscellaneous Plant Equipment	1	ls	\$0	\$0	\$0	\$0	\$0
340		Office Furniture and Fixtures	ls	ls	\$0	\$0	\$0	\$0	\$0
344		Laboratory Equipment	1	ls	\$0	\$0	\$0	\$0	\$0
Total Backbone Facilities						\$1,412,000	\$121,200	\$70,600	\$1,603,800
ON-SITE FACILITIES									
331		Transmission Main	3,638	l.f.	\$35.18	\$128,000	\$12,800	\$6,400	\$147,200
333		Service Lines	150	ea.	\$500.00	\$75,000	\$7,500	\$3,750	\$86,250
335		Hydrants	15	ea.	\$2,000.00	\$30,000	\$3,000	\$1,500	\$34,500
336		Backflow Prevention Devices	0	ea.	\$0	\$0	\$0	\$0	\$0
Total On-Site Facilities						\$233,000	\$23,300	\$11,650	\$267,950
WATER SYSTEM TOTAL						\$1,645,000	\$144,500	\$82,250	\$1,871,750

Water Eng Cost

### SCHEDULE 8

Page 2 of 2

# UTILITY SOURCE, L.L.C.

## WASTEWATER FACILITIES CONSTRUCTION BUBGET

Item	Committed Units	Cost per Unit	Cost Est. Nov-03	Company Funded	Developer Funded
<b>WASTEWATER PLANT</b>					
<b>YEAR ONE</b>					
COMMON FACILITIES			\$812,250	\$812,250	
ON-SITE FACILITIES	215	\$837	\$179,975		\$179,975
YEAR ONE TOTAL			<u>\$992,225</u>	<u>\$812,250</u>	<u>\$179,975</u>
<b>YEAR TWO</b>					
COMMON FACILITIES					
ON-SITE FACILITIES	137	\$1,200	\$164,400		\$164,400
YEAR TWO TOTAL			<u>\$164,400</u>	<u>\$0</u>	<u>\$164,400</u>
<b>YEAR THREE</b>					
COMMON FACILITIES				\$0	
ON-SITE FACILITIES	100	\$1,200	\$120,000		\$120,000
YEAR THREE TOTAL			<u>\$120,000</u>	<u>\$0</u>	<u>\$120,000</u>
<b>YEAR FOUR</b>					
COMMON FACILITIES					
ON-SITE FACILITIES	100	\$1,500	\$150,000		\$150,000
YEAR FOUR TOTAL			<u>\$150,000</u>	<u>\$0</u>	<u>\$150,000</u>
<b>YEAR FIVE</b>					
COMMON FACILITIES			\$450,000	\$450,000	
ON-SITE FACILITIES	100	\$1,500	\$150,000		\$150,000
YEAR FIVE TOTAL			<u>\$600,000</u>	<u>\$450,000</u>	<u>\$150,000</u>
<b>TOTAL WASTEWATER FACILITIES</b>	<u>652</u>		<u>\$2,026,625</u>	<u>\$1,262,250</u>	<u>\$764,375</u>
Equilient Units Served				652	
Cost per Equilient Unit				\$1,936	
Development Fee per Equivalent Unit				<span style="border: 1px solid black;">\$1,800</span>	
Percent of Common Facilities Total Cost				92.98%	

# UTILITY SOURCE, L.L.C.

## ESTIMATED COST( WASTEWATER)

NARUC Account	Item Description	Quantity	Unit	Unit Price	Sub-Total	Engineering @10%	Contingencie s @ 5%	Total
No.								
<b>BACKBONE FACILITIES</b>								
301	Organization	1	ls	\$0	\$0		\$0	\$0
302	Franchise Cost	1	ls	\$0	\$0		\$0	\$0
303	Land and Land Rights	1	ls	\$100,000	\$100,000		\$5,000	\$105,000
354	Treatment Plant Building	1	ls	\$28,000	\$28,000	\$2,800	\$1,400	\$32,200
354	Perimeter Fencing	1	ls	\$21,000	\$21,000	\$2,100	\$1,050	\$24,150
355	Emergency Generator	1	ls	\$0	\$0	\$0	\$0	\$0
361	Lift Stations	2	ea	\$32,000	\$64,000	\$6,400	\$3,200	\$73,600
361	4" Force Main	1		\$58,000	\$58,000	\$5,800	\$2,900	\$66,700
367	Flow Measuring Device	1	ls	\$0	\$0	\$0	\$0	\$0
370	Reinforced Concrete Pads	1	ls	\$0	\$0	\$0	\$0	\$0
370	Dist Box/Headworks/Barscreen/Washdown/Misc	1	ls	\$0	\$0	\$0	\$0	\$0
380	Treatment Plant	37,500	GPD	\$7.73	\$290,000	\$29,000	\$14,500	\$333,500
380	Site Grading	1	ls	\$0	\$0	\$0	\$0	\$0
380	Evaporative Lagoons	1	ls	\$140,000	\$140,000	\$14,000	\$7,000	\$161,000
380	Power to Site	1	ls	\$14,000	\$14,000	\$1,400	\$700	\$16,100
380	Chemical Feeder	1	ls	\$0	\$0	\$0	\$0	\$0
381	Plant Piping and Valves	1	ls	\$0	\$0	\$0	\$0	\$0
394	Laboratory Equipment	1	ls	\$0	\$0	\$0	\$0	\$0
397	Other Plant and Miscellaneous Equipment	1	ls	\$0	\$0	\$0	\$0	\$0
	Total Backbone Facilities				\$715,000	\$61,500	\$35,750	\$812,250
<b>ON-SITE FACILITIES</b>								
361	8" Sewer Line	1	ls	\$88,000	\$88,000	\$8,800	\$4,400	\$101,200
361	Manholes	8	ea	\$2,000	\$16,000	\$1,600	\$800	\$18,400
363	Sewer to Lots	150	ea.	\$350	\$52,500	\$5,250	\$2,625	\$60,375
	Total On-site Facilities				\$156,500	\$15,650	\$7,825	\$179,975
<b>WASTEWATER SYSTEM TOTAL</b>								
					<b>\$871,500</b>	<b>\$77,150</b>	<b>\$43,575</b>	<b>\$992,225</b>

WW ENG COST

### SCHEDULE 9

Page 2 of 2

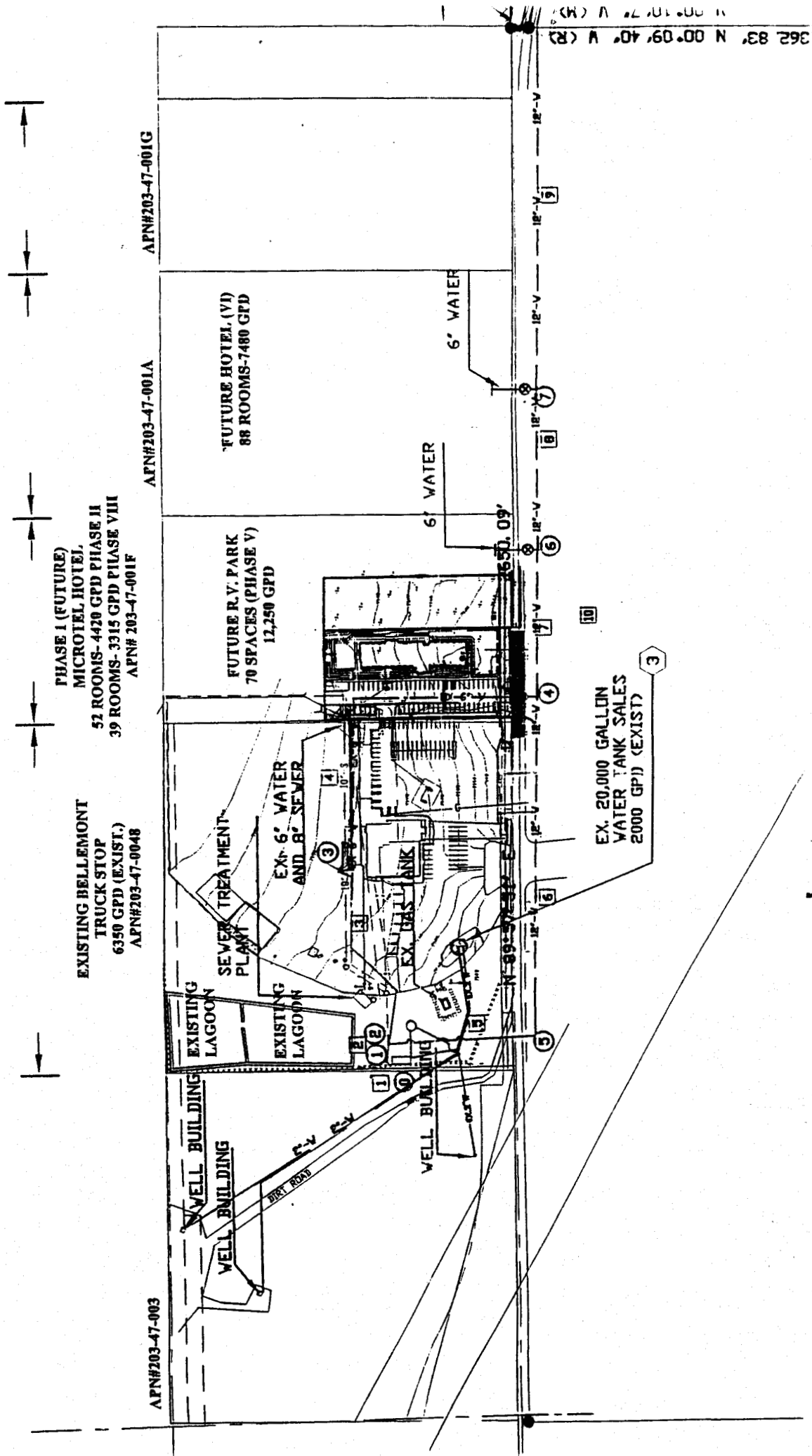
# **UTILITY SOURCE, L.L.C.**

## **Preliminary System Plan**

---

**Please see attached**

# COCONINO COUNTY NATIONAL FOREST



362 83' N 00°09'40" V (R)  
 11 00°10'27" V (M)

(FUTURE)  
FLAGSTAFF NEALONS  
121 LOIS (PHASE III)=43560 GPD  
92 LOIS (PHASE IV)=33172 GPD

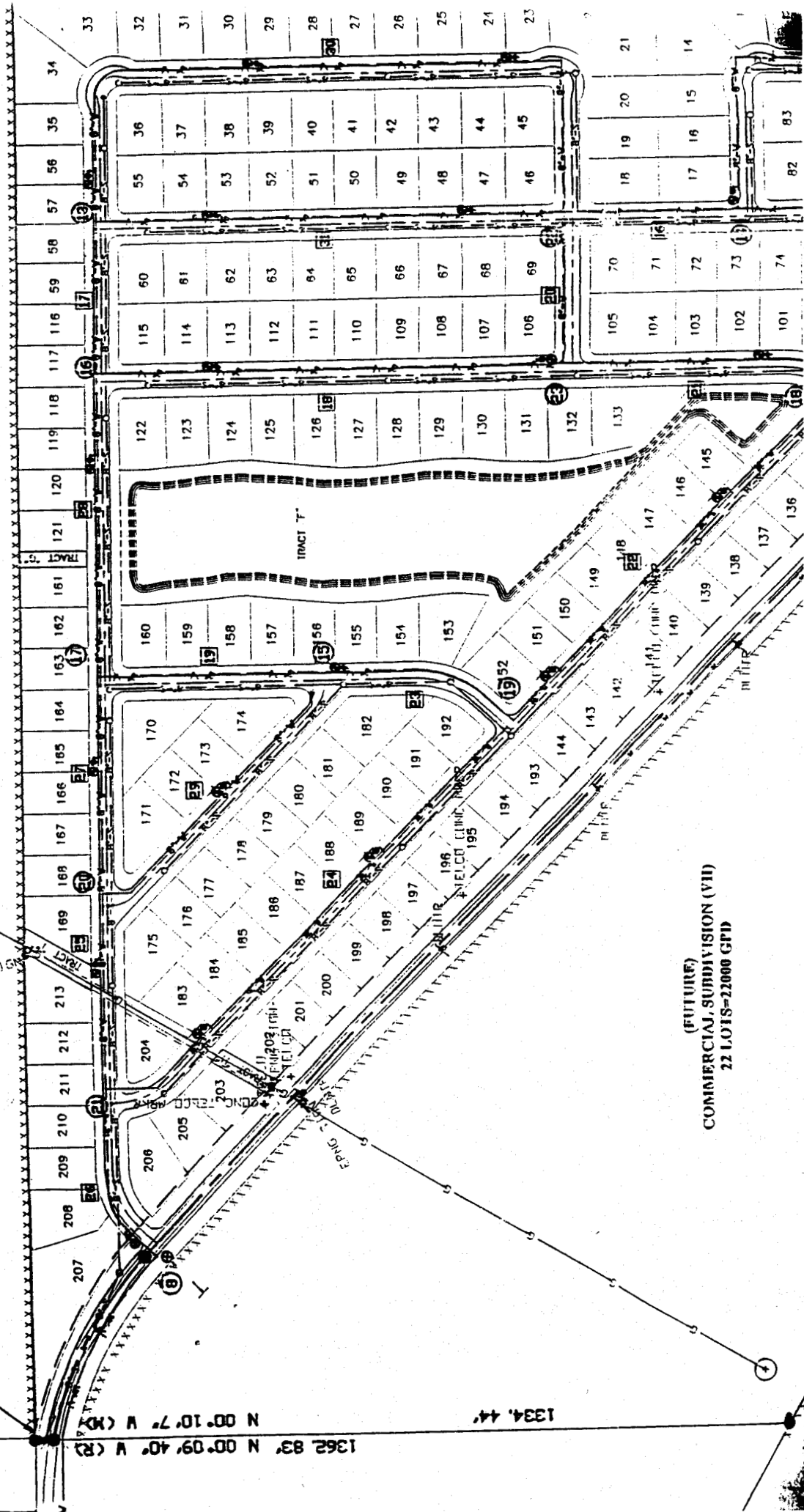
**ELEV.=7140.00**

USFS SIGN

1362 83' N 00° 09' 40" W (R)  
N 00° 10' 7" W (K)

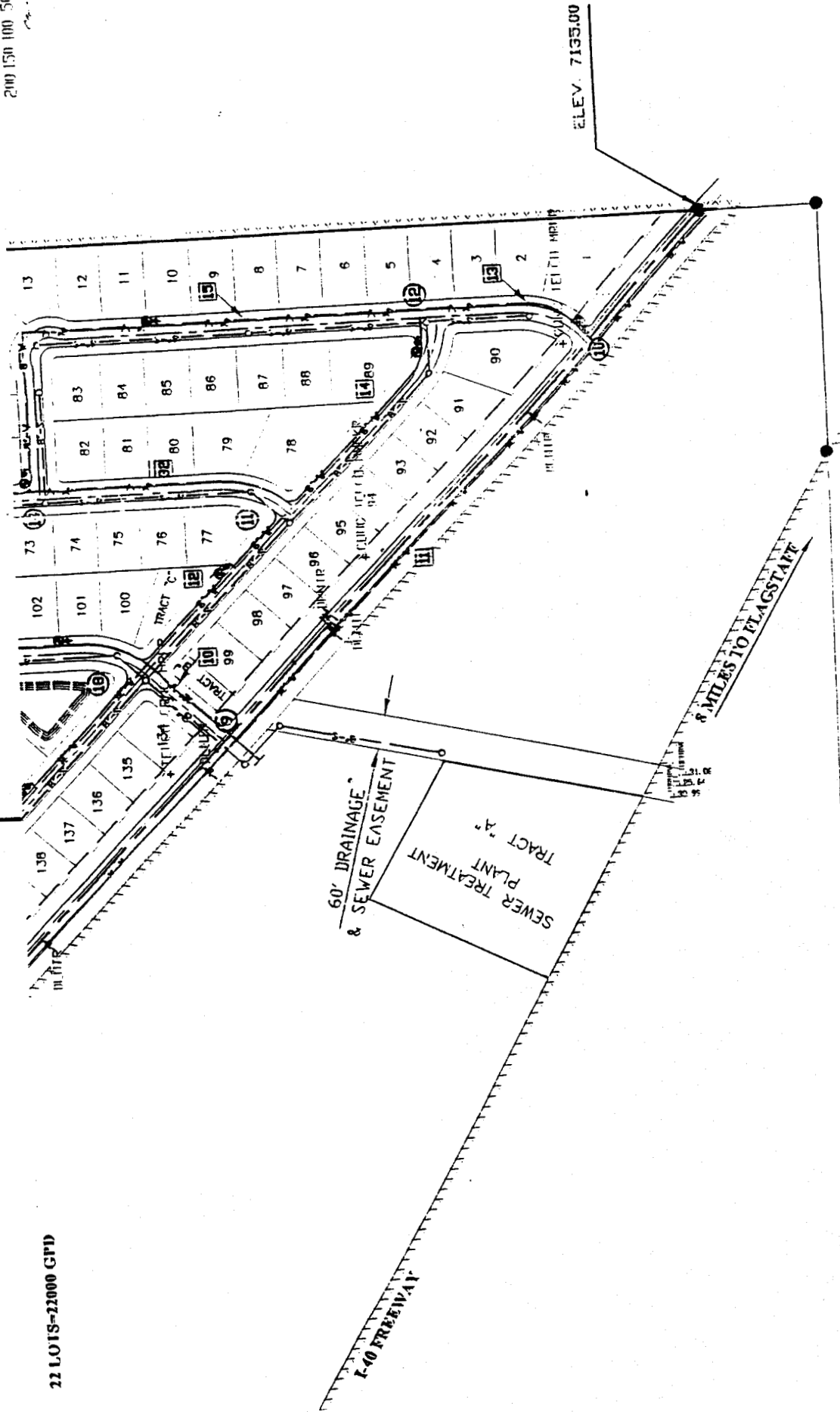
1334. 44'

(FUTURE)  
COMMERCIAL, SUBDIVISION (VII)  
22 LOTS=22000 GPD

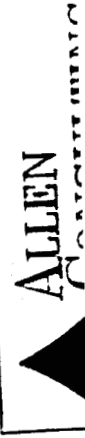


200 150 100 50 0 100 2

22 LOTS-22000 GPD



127 W. JUANITA  
MESA, ARIZONA 8  
PHONE (480) 844



5



**UTILITY SOURCE, L.L.C.**

DOCKET WS-\_\_\_\_\_

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# TARIFF

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Gilbert, AZ 85233

36100.00000.54

**ATTACHMENT 5**

# UTILITY SOURCE, L.L.C.

DOCKET WS-\_\_\_\_\_

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Cancelling Sheet No.

---

Applies to all WATER service areas**PART ONE****STATEMENT OF CHARGES**  
**WATER SERVICE****I. RATES**

In Opinion and Order No. \_\_\_\_\_, dated \_\_\_\_\_, 2004, the Commission approved the following rates and charges to become effective \_\_\_\_\_, 2004.

<u>Meter Size</u> Inches	Usage Included in <u>Minimum Charge</u> Gallons	Minimum <u>Charge</u> Per Month
-----------------------------	---	---------------------------------------

**A. General Residential, Commercial, Industrial, and Irrigation Service**

3/4" Meter	-0-	6.48
1" Meter	-0-	8.02
1 1/2" Meter	-0-	9.62
2" Meter	-0-	14.00
4" Meter	-0-	58.00
6" Meter	-0-	89.80

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Cancelling Sheet No.

---

Applies to all WATER service areas

**PART ONE****STATEMENT OF CHARGES**  
**WATER SERVICE****B. Commodity Charges**

The rate for use in addition to the minimum stated above shall be the same for all sizes of meters. Additional usage shall be at the following rate per 1,000 gallons:

<u>Consumption</u>	<u>Rate</u>
<u>Residential</u>	
0-5,000	\$2.83
5,000-15,000	\$3.32
15,001 and over	\$4.71
<u>Multi-Family, Mobile Home, Commercial</u>	
All	\$2.97
<u>Standpipe</u>	
All	\$6.00

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Cancelling Sheet No.

---

Applies to all WATER service areas**PART ONE****STATEMENT OF CHARGES  
WATER SERVICE**

C. Construction Water <sup>1</sup>	Usage Included in <u>Minimum Charge</u>	<u>Minimum Charge</u>
	Gallons	Per Month
2" Hydrant Meter <sup>2</sup>	-0-	\$100.00

The rate for use in addition to the minimum stated above shall be at the rate of \$6.00 per 1,000 gallons.

**HYDRANT RELOCATION:**

When a Construction Meter is relocated to another hydrant or agreed upon location at the request of the Customer, there shall be a \$50 charge.

<sup>1</sup> Construction water service shall be provided as an "as available" basis and is subject to interruption if such service would adversely impact on the water systems operation.

<sup>2</sup> Hydrant meters shall have a non-interest bearing deposit of \$1,500.00, refundable upon return of meter in good condition and payment of final bill.

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Cancelling Sheet No.

---

Applies to all WATER service areas

**PART ONE**

**STATEMENT OF CHARGES**  
**WATER SERVICE**

**II. TAXES AND ASSESSMENTS**

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

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---

Applies to all WATER service areas**PART ONE****STATEMENT OF CHARGES**  
**WATER SERVICE****III. ADDITIONAL CHARGES<sup>3</sup>**

- |    |   |                   |
|----|---|-------------------|
| A. | Establishment of Service<br>Per Rule R14-2-403D<br>(new customer charge, in addition to E, L and M below) | \$ 20.00          |
|    | 1. If after hours   | \$ 40.00          |
| B. | Re-establishment of Service<br>Per Rule R14-2-403D<br>(same customer, same location within 12 months)     | Note <sup>4</sup> |
| C. | Reconnection of Service<br>Per Rule R14-2-403D  | \$ 50.00          |
|    | 1. If after hours   | \$ 65.00          |
| D. | Charge for Moving Meter at Customer Request<br>Per Rule R14-2-405B  | Cost <sup>5</sup> |

---

<sup>3</sup> Additional charges authorized in Paragraph III A, B, C, H, I and J shall not be duplicated for dual service customers.

<sup>4</sup> Number of months off system times the monthly minimum.

<sup>5</sup> See Sheet No. 12.

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DOCKET WS-\_\_\_\_\_

Cancelling Sheet No.

---

Applies to all WATER service areas**PART ONE****STATEMENT OF CHARGES**  
**WATER SERVICE**

- |    |  |   |
|----|--|---|
| E. | Minimum Deposit Requirement<br>Per Rule R14-2-403B     |   |
|    | 1. Residential customer                                | (2 times estimated average<br>monthly bill)     |
|    | 2. Non residential customer                            | (2-1/2 times estimated<br>maximum monthly bill) |
|    | 3. Deposit Interest (per annum)                        | 3.0%  |
| F. | Meter test per Rule, If correct<br>Per Rule R14-2-408F | \$25.00 plus cost of test                       |
| G. | Meter Reread<br>Per Rule R14-2-408C                    | \$ 10.00  |
| H. | Charge for NSF Check<br>Per Rule R14-2-409F            | \$ 20.00  |
| I. | Deferred Payment Finance Charge<br>Per month           | 1.5%  |

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Applies to all WATER service areas

**PART ONE****STATEMENT OF CHARGES**  
**WATER SERVICE**

J.	Late Payment Charge Per Month	See Notes <sup>6 7 8</sup>
K.	Service Calls, per hour After hours only	\$40.00 <sup>9</sup>

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<sup>6</sup> Greater of \$5.00 or 1.5% of unpaid balance.

<sup>7</sup> Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.

<sup>8</sup> This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

<sup>9</sup> For service problem found to be on Customer's side of meter. Company will not repair problem.

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Applies to all WATER service areas**PART ONE****STATEMENT OF CHARGES**  
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L.	Meter Advance Policy <sup>10</sup>	<u>Advance</u> <sup>11</sup>
	3/4" Meter	\$575.00
	1" Meter	\$660.00
	1 1/2" Meter	\$900.00
	2" Meter	\$1,525.00
	4" Meter	\$3,360.00
	6" Meter	\$6,035.00
M.	Main Extension Tariff	Cost <sup>12</sup>
	Per Rule R14-2-406B	
N.	Off-Site Facilities Hook-Up Fee – Water	

1. Applicable to: In addition to the Meter Installation Charge and requirements for on-site facilities to be installed pursuant to approved main extension agreements, the following Off-site Facilities Hook-up Fee is applicable to all new service connections requiring a main extension agreement.

2. Purpose: To equitably apportion the costs of off-site water facility development among all new service connections.

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<sup>10</sup> The customer shall be the owner of and be responsible for the design, installation, maintenance and operation of the Service Line on the customer's side of the water meter.

<sup>11</sup> Plus county permit charges. Permit charges are non-refundable.

<sup>12</sup> Per Sheet No. 12.

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3. Definitions:

“Applicant” means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

“Company” means Utility Source, L.L.C.

“Main extension agreement” means any agreement whereby an applicant agrees to advance the costs of the installation of water facilities to Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to Company, which agreement shall require the approval of the Arizona Corporation Commission. Same as “line extension agreement”.

“Off-site facilities” means wells, storage tanks and related appurtenance necessary for proper operation, including engineering and design costs. Offsite facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of applicant.

“Service Connection” means and includes all service connections for single-family residential or other uses, regardless of meter size.

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4. Off-site Facilities Hook-up Fee: Each new service connection shall pay the total Off-site Facilities Hook-up Fee derived from the following table:

<u>Size</u>	<u>NARUC Meter Factor</u>	<u>Fee</u>
3/4" Meter	1.2	1,000.00
1" Meter	2.0	1,666.00
1-1/2" Meter	4.0	3,333.00
2" Meter	6.4	5,330.00
4" Meter	20.0	16,660.00
6" or greater	40.0	33,320.00

5. Terms and Conditions:

- A. Time of payment: In addition to the amounts to be advanced pursuant to an Arizona Corporation Commission approved main extension agreement, the applicant for new water services shall pay the Company the Off-site Facilities Hook-up Fee as determined by meter size and number of connections to be installed pursuant to the main extension agreement. Payment of the Off-site Facilities Hook-up Fee shall normally be made at the time of payment of the main extension agreement or prior to commencement of construction of the water facilities to be installed by applicant pursuant to the main extension agreement. However, in the event a Developer requests the Company commit to service to units within a master planned development for which main extension agreements have not been executed as of the date of such commitment, then and in that event, the Company and Developer shall enter an agreement scheduling payment of hook-up fees to insure that the Company

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is able to complete construction of the required facilities prior to necessity for service to the Development.

- B. Off-site Facilities Hook-up Fee Non-refundable: The base fee amounts collected by the Company pursuant to the Off-site Facilities Hook-up Fees shall be non-refundable advances in aid of construction.
- C. Trust Account: All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest bearing trust account and used solely for the purpose of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.
- D. Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee or the Off-site Facilities Hook-up Fee has been terminated by order of Arizona Corporation Commission, any funds remaining in the trust account shall be refunded. The manner of the refund shall be determined by the Commission at the time of refund becomes necessary.

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**IV. PERMITTED COSTS**

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at costs, cost shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.

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E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

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**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

**I. CROSS-CONNECTION CONTROL**

**A. Purpose.**

To protect the public water supply in the Company's water supply in the Company's water system from the possibility of contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code, Title 14, Chapter 2, Section 405.B.6 as adopted by the Arizona Corporation Commission, and Title 18, Chapter 4, Section 115, as adopted by the Arizona Department of Environmental Quality, or Maricopa County Environmental Services Division, as those regulations may be revised from time to time.

**B. Inspections.**

The customers shall cooperate fully with the Company in its efforts to investigate and determine the degree of potential health hazard to the public water supply which may result from conditions existing on the customer's premises.

**C. Requirements.**

In compliance with the Rules and Regulations of the Arizona Corporation Commission and the Arizona Department of Environmental Quality, specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

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1. The Company may require a customer to pay for and have installed, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.

2. A backflow-prevention assembly required to be installed by the customer under this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.

3. The Company shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may grant additional time for this requirement.

4. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. and Maricopa County Environmental Services Division. The Company shall not require an unreasonable number of tests.

5. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:

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- a. assembly identification number and description;
- b. location;
- c. date(s) of test(s);
- d. description of repairs made by tester; and
- e. tester's name and certificate number.

**D. Discontinuance of Service.**

In accordance with A.A.C. R14-2-407 and 410 and provisions of this tariff, the Company may terminate service or deny service to a customer who fails to install and/or test a backflow-prevention assembly as required by this tariff.

1. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is applicable, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be installed and repaired by the customer and retested before service is restored.

2. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be installed and/or repaired by the customer and tested within fourteen (14) days of written notice by the Company. Failure to install or to remedy the deficiency or dysfunction of the assembly, or failure to retest shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

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**STATEMENT OF TERMS AND CONDITIONS**  
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**II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY LIMITATIONS**

A. The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallons per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

**III. CURTAILMENT PLAN FOR UTILITY SOURCE, L.L.C.**

ADEQ Public Water System Number: PWS I.D. #03-394

Utility Source, L.L.C. ("Company") is authorized to curtail water service to all customers, residential and commercial, within its certificated area under the following terms and conditions:

**Stage 1 Exists When:**

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

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Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

**Stage 2 Exists When:**

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, or poor water production creating a reasonable belief the Company will be unable to meet anticipated water demands in the system.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

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**Stage 3 Exists When:**

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, Company shall request the customer to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.

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2. Beginning with Stage 3, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than stage three until a permanent solution has been implemented.

**Stage 4 Exists When:**

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

**Restrictions:** Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

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- ◆ Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- ◆ Washing of any vehicle is prohibited
- ◆ The use of water for dust control or any outdoor cleaning uses is prohibited
- ◆ The use of drip or misting systems of any kind is prohibited
- ◆ The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- ◆ Restaurant patrons shall be served water only upon request
- ◆ Any other water intensive activity is prohibited

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.

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3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering stage 4.

Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outdoor use. Failure to comply with in two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply in an attempt to maintain the supply until a permanent solution has been implemented.

Note: If the Company loses all production and has no storage facilities, the Company must rely on emergency hauling or must otherwise provide emergency drinking water for its customers.

**IV. RULES AND REGULATIONS**

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

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Applies to all WASTEWATER service areas**PART THREE****STATEMENT OF CHARGES  
WASTEWATER SERVICE****I. RATES**

In Opinion and Order No. \_\_\_\_\_, dated \_\_\_\_\_, 2004, the Commission approved the following rates and charges to become effective with \_\_\_\_\_, 2004:

<u>Water Service Size</u>	<u>Minimum Charge</u>	<u>Rate per 1,000 Water Usage</u>
A. General Residential Service		
All Sizes	-0-	\$2.73
B. Commercial and Industrial Service		
Car washes, Laundromats,		
Commercial, manufacturing	-0-	\$2.67
Hotels, Motels	-0-	\$3.58
Restaurants	-0-	\$4.42
Industrial Laundries	-0-	\$3.92
Waste Haulers	-0-	\$80.00
Restaurant Grease	-0-	\$70.00
Treatment Plant Sludge	-0-	\$80.00
Mud Sump Waste	-0-	\$250.00

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Applies to all WASTEWATER service areas**PART THREE****STATEMENT OF CHARGES  
WASTEWATER SERVICE****II. TAXES AND ASSESSMENTS**

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-608(D)(5).

**III. ADDITIONAL CHARGES<sup>13</sup>**

A.	Establishment of Service per Rule R14-2-603D (new customer charge, in addition to D, I and J below)	\$20.00 <sup>14</sup>
1.	If after hours	40.00
B.	Re-establishment of Service per Rule R14-2-603D (same customer, same location within 12 months)	Note <sup>15</sup>
C.	Reconnection of Service Per Rule R14-2-603D	50.00

<sup>13</sup> Additional charges authorized in Paragraph III A, B, C, E, F and G shall not be duplicated for dual service customers.

<sup>14</sup> Initial monthly billing under PART THREE I to new wastewater service for homes under construction shall commence no sooner than 30, and no more than 60 days after the water meter is installed. Wastewater billing to new service at existing locations shall be pro-rated from the start of service.

<sup>15</sup> Number of months off system times the sum of the monthly minimum.

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Applies to all WASTEWATER service areas

**PART THREE****STATEMENT OF CHARGES  
WASTEWATER SERVICE**

1. If after hours	65.00
D. Deposit Requirement <sup>16</sup> per Rule R140-2-603B	
1. Residential customer	(2 times estimated average monthly bill)
2. Non-residential customer	(2-1/2 times estimated maximum monthly bill)
3. Deposit Interest	3.0%
E. Charge for NSF Check per Rule R14-2-608E <sup>17</sup>	\$20.00
F. Deferred Payment Finance Charge, per month <sup>18</sup>	1.5%

<sup>16</sup> The Company does not normally require a deposit prior to the provision of service. However, if the service is not in the property owner's name, this deposit is required. Also in the event service is disconnected due to nonpayment, this deposit may be required.

<sup>17</sup> This charge shall not apply if wastewater service is paid with the same NSF check used to pay for water service for which a NSF fee is charged.

<sup>18</sup> Deferred payments for wastewater service are only available if established in connection with deferred payments for water service under PART ONE, III(I) of this tariff.

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WASTEWATER SERVICE**

G.	Late Payment, Per Month, per Rule R14-2-608F	See Notes <sup>19 20 21</sup>
H.	Service Calls, per hour After hours only	\$40.00 <sup>22</sup>
I.	Service Lateral Connection Charge <sup>23</sup> Residential Commercial	\$500.00 Cost <sup>24</sup>
J.	Main Extension Tariff, per Rule R14-2-606B	Cost <sup>25</sup>

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<sup>19</sup> Greater of \$5.00 or 1.5% of the unpaid balances.

<sup>20</sup> This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

<sup>21</sup> Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.

<sup>22</sup> For service problem found to be on Customer's side of lot line. Company will not repair problem.

<sup>23</sup> The Company shall own the Service Lateral up to the Customer's property line. The Customer shall own the Service Lateral beyond that point. The Company shall maintain and operate the Service Lateral only from the connection to the main line in the street or right-of-way up to its interconnection with the Customer's Service Lateral at the edge of the right-of-way, beyond which maintenance is the Customer's responsibility

<sup>24</sup> Per Sheet No. 30.

<sup>25</sup> All Main Extensions shall be completed at cost per Sheet No. 30 and shall be non-refundable Contributions-in-Aid-of-Construction.

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ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-\_\_\_\_\_

Cancelling Sheet No.

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Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF CHARGES**  
**WASTEWATER SERVICE**

K. Off-Site Facilities Hook-up Fee-Wastewater

1. Applicable to: In addition to any other Arizona Corporation Commission approved charges and requirements for on-site facilities to be installed pursuant to main extension agreements, the following Off-site Facilities Hook-up Fee is applicable to all new service connections requiring a main extension agreement.
2. Purpose: To equitably apportion the costs of off-site wastewater facility development among all new service connections.
3. Definitions:

“Applicant” means any party entering into an agreement with Company for the installation of wastewater facilities to serve new service connections.

“Company” means Utility Source, L.L.C.

“Main extension agreement” means any agreement whereby an applicant agrees to advance the costs of the installation of wastewater facilities to Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such wastewater facilities to Company.

“Off-site facilities” means treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenance necessary for proper operation, including engineering and design costs. Offsite facilities may also include lifts stations,

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Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

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Cancelling Sheet No.

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Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF CHARGES**  
**WASTEWATER SERVICE**

force mains, trunk collection mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of applicant.

“Service Connection” means and includes all service connections for single-family residential or other uses, regardless of service lateral size.

4. Off-site Facilities Hook-up Fee: Each new service connection shall pay the total Off-site Facilities Hook-up Fee derived from the following table:

<u>Service Lateral Size</u>	<u>Total Fee</u>
4"	\$ 1,800.00
6" or greater	3,500.00

5. Terms and Conditions:

- A. Time of payment: In addition to the amounts to be advanced pursuant to a main extension agreement, the applicant for new wastewater services shall pay the Company the Off-site Facilities Hook-up Fee as determined by service lateral size and number of connections to be installed pursuant to the main extension agreement. Payment of the Off-site Facilities Hook-up Fee shall normally be made at the time of payment of the main extension agreement or prior to commencement of construction of the wastewater facilities to be installed by applicant pursuant to the main extension agreement. However, in the event a Developer requests the Company commit to service to units within a master planned development for which main extension agreements

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ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

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Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF CHARGES  
WASTEWATER SERVICE**

have not been executed as of the date of such commitment, then and in that event, the Company and Developer shall enter an agreement scheduling payment of hook-up fees to insure that the Company is able to complete construction of the required facilities prior to necessity for service to the Development.

- B. Off-site Facilities Hook-up Fee Non-refundable: The base fee amounts collected by the Company pursuant to the Off-site Facilities Hook-up Fees shall be non-refundable advances in aid of construction.
- C. Trust Account: All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest bearing trust account and used solely for the purpose of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee or the Off-site Facilities Hook-up Fee has been terminated by order of Arizona Corporation Commission, any funds remaining in the trust account shall be refunded. The manner of the refund shall be determined by the Commission at the time of refund becomes necessary.

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Issued \_\_\_\_\_

Effective \_\_\_\_\_

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233



DOCKET WS-\_\_\_\_\_

Cancelling Sheet No.

---

Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF CHARGES**  
**WASTEWATER SERVICE**

**IV. PERMITTED COSTS**

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

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Issued \_\_\_\_\_

Effective \_\_\_\_\_

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-\_\_\_\_\_

Cancelling Sheet No.

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Applies to all WASTEWATER service areas

**PART FOUR**

**STATEMENT OF TERMS AND CONDITIONS**  
**WASTEWATER SERVICE**

**I. CUSTOMER DISCHARGE TO SYSTEM**

**A. Service Subject to Regulation**

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

**B. Waste Limitations**

The Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

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Issued \_\_\_\_\_

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ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-\_\_\_\_\_

Cancelling Sheet No.

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Applies to all WASTEWATER service areas

**PART FOUR**

**STATEMENT OF TERMS AND CONDITIONS**  
**WASTEWATER SERVICE**

**C. Inspection and Right of Entry**

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to sewers; sewage pumping plants; all processes; devices and connection sewers; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in an empty condition. Inspection will

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ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-\_\_\_\_\_

Cancelling Sheet No.

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Applies to all WASTEWATER service areas

**PART FOUR**

**STATEMENT OF TERMS AND CONDITIONS**  
**WASTEWATER SERVICE**

be required of said units prior to their being allowed to hookup to the wastewater system.

**D. Termination of Water Service for Violation of Wastewater Rules and Regulations**

The Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates the Company's wastewater terms and conditions as set forth in this PART FOUR or in any way creates a public health hazard or the likelihood of such a public health hazard. This termination authority does not apply to non-payment for water or wastewater services.

**II. RULES AND REGULATIONS**

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-609 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

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Issued \_\_\_\_\_

Effective \_\_\_\_\_

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

1 Richard L. Sallquist  
Sallquist & Drummond, P.C.  
2 2525 E. Arizona Biltmore Circle  
Suite A-117  
3 Phoenix, Arizona 85016  
Phone: (602)224-9222  
4 Fax: (602)224-9366  
Attorneys for Applicant  
5

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7 IN THE MATTER OF THE APPLICATION )  
8 OF UTILITY SOURCE, L.L.C. FOR A )  
CERTIFICATE OF CONVENIENCE AND )  
9 NECESSITY TO PROVIDE WATER AND )  
WASTEWATER SERVICE IN COCONINO )  
10 COUNTY, ARIZONA. )

DOCKET NO. WS-\_\_\_\_-\_\_\_\_

**AFFIDAVIT OF MAILING**

11 STATE OF ARIZONA )  
County of Maricopa )ss  
12 )

- 13 1. I am Lonnie McCleve, Manager of Utility Source, L.L.C. My business address is 721  
14 E. San Pedro, Gilbert, Arizona 85234.  
15 2. On February \_\_, 2004, I caused the Notice in the form attached hereto as Exhibit 1  
16 and incorporated herein by reference for all purposes, to be mailed by first class mail,  
17 postage prepaid, to all property owners within the Requested Expansion Area.  
18 3. Further affiant sayeth naught.

19 DATED this \_\_\_\_ day of February, 2004.

20 UTILITY SOURCE, L.L.C.

21  
22 By:\_\_\_\_\_  
Lonnie McCleve  
23

1           The foregoing instrument was acknowledged before me this \_\_\_\_ day of February, 2004,  
2 by Lonnie McCleve.

4  
\_\_\_\_\_  
Notary Public

5 My Commission Expires:

6 \_\_\_\_\_  
7 Original and fifteen copies of the  
8 foregoing filed this \_\_\_\_ day  
9 of February, 2004:

9 Docket Control  
10 Arizona Corporation Commission  
11 1200 West Washington  
12 Phoenix, Arizona 85007

11 A copy of the foregoing filed  
12 this \_\_\_\_ day of February, 2004, to:

13 Judge Jane Rodda  
14 Arizona Corporation Commission  
15 400 W. Congress  
16 Tucson, Arizona 85701

17 Ernest Johnson, Director  
18 Utilities Division  
19 Arizona Corporation Commission  
20 1200 West Washington  
21 Phoenix, Arizona 85007

22 Christopher Kempley, Chief Counsel  
23 Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007  
\_\_\_\_\_  
\_\_\_\_\_

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7





ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
CERTIFICATE OF APPROVAL TO CONSTRUCT  
WATER FACILITIES

Page 1 Of 2

ADEQ File No: 20000489	
System Name: Bellemont Travel Plaza	System Number: 03300
Project Owner: Fuelco, Inc.	
Address: 731 E. San Pedro Ave., Gilbert, AZ 85234	
Project Location: Bellemont	County : Coconino
Description: IMPROVEMENTS OF WATER STORAGE FACILITIES FOR BELLEMONT WATER SYSTEM. INSTALL 258,000 GAL. WELDED STEEL WATER STORAGE TANK, BOOSTER SYSTEM AND RELATED APPURTENANCES.	

*Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 4 continued on page 2 through 2*

1. Notice shall be given to the Northern Regional Office located in Flagstaff when construction of the project begins to allow for inspection during construction per A.R.S. §49-104.B.10.
2. The project owner shall retain a professional engineer as soon as possible to provide detailed construction inspections of this project. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion (attached), and forward it to the Regional Office. If all requirements have been completed the Regional Office will issue a Certificate of Approval of Construction.
3. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department.

The State law, A.R.S. §49-104.B.10, requires that construction of the project must be in accordance with rules and regulations of the Arizona Department of Environmental Quality. This certificate will be void if construction has not started within one year of the approval date. Upon request a written time extension may be granted by the Department.

Reviewed by KNS

By: Wm. H. Shafer, Jr. 6/11/01  
for Wm. H. Shafer, Jr., P.E., Manager Date  
Technical Engineering Unit  
Water Quality Division

cc: File No : 20000489  
Regional Office: Northern  
Owner: Fuelco, Inc.  
County Health Department: Coconino  
Engineer: Allen Consulting Eng  
Planning and Zoning/Az Corp. Commission  
Engineering Review Database - Etr021

**CERTIFICATE OF APPROVAL TO CONSTRUCT  
WATER FACILITIES  
ADEQ FILE NO. 20000489  
PAGE 2 OF 2: PROVISIONS**

4. The facilities shall be adequately protected from 100-year flood.

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



## Provisional Verification of General Permit Conformance for Sewage Collection System General Permit 4.01

<b>Applicant Information:</b> Name <u>Greenfield Land Development Lonnie McCleve</u> Address <u>721 E. San Pedro, Gilbert, AZ 85234</u>		File Number: <u>20010254</u>
		Project Name: <u>Flagstaff Meadows Subdivision</u>
System Location/Description: <input checked="" type="checkbox"/> Gravity <input checked="" type="checkbox"/> Lift Station <input type="checkbox"/> Force <input type="checkbox"/> Other <u>Water and sewer system to serve Flagstaff Meadows subdivision a 133 lot development design flow for system is 492,540 GPD. Located at T21N R5E Section 1, SW 1/4 SE 1/4 NE 1/4 Lat 35°14'12.9" N by 111°48'57.8" System will serve 466 people with 133 service connections, 9,548 feet of gravity sewer line, 22 manholes and 2 liftstations</u>		
Treatment Facility: <u>Flagstaff Meadows – Belmont Sewer System</u> Sewage Treatment System Number: <u>101080</u> System Capacity Affirmation Form, Date: <u>6/28/2001</u>		Permitted Design Flow: <u>492,540</u> gallons per day
Design Documents Approved for Construction: <u>Site Information:</u> County <u>Coconino</u>		
<input type="checkbox"/> Notice of Intent to Discharge, dated <u>7/3/01</u> <input type="checkbox"/> Site plan, date <u>7/5/01</u> <input type="checkbox"/> Design plan, dated <u>7/10/01</u> <input type="checkbox"/> Operation/Maintenance Plan, dated <u>5/4/01</u> <input type="checkbox"/> Other document(s) _____		Location of downstream end of system proposed herein: <u>T 21N R 5E Section 1, SW 1/4 SE 1/4 NE 1/4</u>  Latitude: <u>35° 14' 12.9" N</u> Longitude: <u>111° 48' 57.8" W</u>  Legal description of area served by sewer collection <u>T 21N R 5E Section 1, SW 1/4 SE 1/4 NE 1/4</u>
<b>Provisional Verification of General Permit Conformance:</b> This Provisional Verification of General Permit Conformance is issued in accordance with Arizona Administrative Code Title 18, Chapter 9, Article 3, Part A, Section A301. The applicant is authorized to construct the facility at the location specified herein under terms and conditions of the requested general permit and applicable requirements of Arizona Revised Statutes Title 45, Chapter 2, and Arizona Administrative Code Title 18, Chapter 9. The applicant has two years from the approval date of this document to complete construction and submit the applicable verification documents specified in A.A.C. R18-9-E301(E). Construction shall conform with the approved design documents.		
<u>Lonnie McCleve</u> Name <u>PE Engineer</u> Title <u>DESIGN REVIEWER</u> Date <u>7/16/01</u>		

CC: Gregory Allen, P.E.  
 127 W. Juanita #212  
 Mesa, AZ 85210  
 Reading File  
 File

Green Field Land Development  
 721 San Pedro  
 Gilbert AZ 85234

JUL 19 2001

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
CERTIFICATE OF APPROVAL TO CONSTRUCT  
DRINKING WATER FACILITIES

Page 1 of 2

<b>ADEQ FILE NO.:</b> 20010254
<b>SUPPLYING SYSTEM NAME:</b> Flagstaff Meadows – Belmont Water System. <b>PUBLIC WATER SYSTEM NO.:</b> 03-394
<b>PROJECT NAME:</b> Flagstaff Meadows Subdivision
<b>PROJECT OWNER:</b> Greenfield Land Development LLC
<b>ADDRESS:</b> 721 San Pedro , Gilbert AZ 85234
<b>LOCATION:</b> Belmont AZ <b>COUNTY:</b> Coconino
<b>PROJECT DESCRIPTION:</b> to include 5238 LF of 12" on Transmission Road, Flag 280 LF of 8" on Campbell Way, 568 LF of 8" on McCleve Way, 849 LF of 8" on Alpine Drive, 1525 LF of 8" on Bellemont Springs, 885 LF of 8" on Victoria Lane, and 1592 LF of 8" on Deer Springs Drive. All lines to be constructed of PVC C – 900 waterline.

*Approval to Construct the above-described facility as represented in approved plan documents on file with the Arizona Department of Environmental Quality is hereby given:*

1. Notice shall be given to the NRO Regional Office - Flagstaff when construction of the project begins to allow for inspection during construction per A.R.S. Section 49-1-4.B.10.

Provisions 2 through 5 are continued on Page 2 of 2 total pages

The State Law, A.R.S. Section 49-104.B.10, requires that construction of the project must be in accordance with rules and regulations of the Arizona Department of Environmental Quality. This certificate will be void if construction has not started within one year of the approval date. Upon request a written time extension may be granted by the department.

KJH:kjh

Jacqueline E. Schafer, Director  
Arizona Department of Environmental Quality  
By: Kurtis J. Harris, P.E. 7-16-01  
Kurtis J. Harris, P.E., Date Approved  
Civil Engineer  
Northern Regional Office (NRO) Design Reviewer

cc: File No: 20010296  
Coconino County Health and Planning & Zoning Departments  
ADEQ-NRO Regional Office, Reading and Construction files, Engineering Review Database  
Allen Consulting Engineers, Inc. 127 W. Juanita Ave. #212 Mesa, AZ 85210

**CERTIFICATE OF APPROVAL TO CONSTRUCT DRINKING WATER FACILITIES:**

Pine Canyon Unit 3

ADEQ FILE NO. 20010296: 03-063 Water System

PAGE 2 OF 2: PROVISIONS, CONTINUED

2. The professional engineer will provide detailed construction inspections of this project. Upon completion of construction, the engineer shall fill out the Engineers Certificate of Completion, and forward it to the NRO Regional Office, Flagstaff. If all requirements have been completed, NRO will issue a Certificate of Approval of Construction.
3. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department.
4. All materials and products that come into contact with drinking water or drinking water treatment chemicals must comply with NSF Standard 61. Any "or equal" substitution shall also meet NSF Standard 61. Materials which do not meet NSF Standard 61 may be considered if they otherwise comply with A.R.S. § 49-353.01.
5. Do to the future service to a wastewater treatment plant, Backflow Prevention Program, the supplying water system may require individual connections to that system to install an appropriate backflow prevention apparatus at or near the point of connection.

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



## CERTIFICATE OF APPROVAL OF SANITARY FACILITIES FOR SUBDIVISIONS

SUBDIVIDER NAME	Jerry Abbott	LOTS	ADEQ CF#	20030345
Mailing Address 1	3726 S Wild West Trail	1-105	Place ID	19421
Mailing Address 2	Flagstaff, AZ 86001		USAS#	505274-00
City/State/Zip			LTF#	30265
NEAREST TOWN	Williams		COUNTY	Coconino
SUBDIVISION NAME	Flagstaff Meadows Town Homes			
LOCATION	Bellemont			
WATER SUPPLY	Bellmont water system ID 03300			
SEWAGE DISPOSAL	Flagstaff Meadows 104083			
REFUSE HAULER	Waste Management			
REFUSE DISPOSAL SITE	Painted Desert Landfill			

The sanitary facilities of water supply, sewage disposal, and garbage disposal as represented by the approved plan documents on file with the Arizona Department of Environmental Quality (ADEQ) are hereby approved subject to the following provisions:

- The water supply for this development has been determined to be inadequate by the Arizona Department of Water Resources per A.A.C. R12-15-703(B)(c)

This Certificate of Approval of Sanitary Facilities does NOT constitute an Individual or General Aquifer Protection Permit for the sewage collection system incorporated in this subdivision (see separate Provisional Verification of General Permit Conformance). This Certificate of Approval of Sanitary Facilities does NOT constitute an Approval to Construct Permit (ATC) for the water distribution system incorporated in this subdivision (see separate ATC).

KH1:TH2

### CERTIFICATE DISTRIBUTION

#### Original Certificate and Plat:

ADEQ/NRO Construction File

#### Certificate Copy and Plat:

Applicant

#### Certificate Copy Only:

ADEQ/NRO Reading File

ADRE

Governing COG

County Environmental Services

County Development Services

Stephens A. Owens, Director  
Arizona Department of Environmental Quality

By:

Kurt J. Harris, P.E., Manager  
Water Quality Design Review Unit  
Northern Regional Office


Date Approved

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# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

## Provisional Verification of General Permit Conformance for Sewage Collection System General Permit 4.01

<b>Applicant Information:</b>		<b>PLACE ID</b>	19421	<b>ADEQ CF#</b>	20030345	<b>LTF No.</b>	30264
<b>Name</b>	Jerry Abbott			<b>Project Name</b>	Flagstaff Meadows Townhomes		
<b>Mail Address 1</b>	3726 S Wild West Trail			<b>County</b>	Coconino		
<b>Mail Address 2</b>	Flagstaff, AZ 86001						
<b>City/State/Zip</b>							
<b>Project Type(s)</b>		<b>GENERAL PROJECT DESCRIPTION</b>					
<input checked="" type="checkbox"/>	Gravity Main	<input type="checkbox"/>	Force Main	2500' 8" PVC, 14 manholes and 105 residential service connections			
<input type="checkbox"/>	Lift Station	<input type="checkbox"/>	Other				
<b>Treatment Facility Address 1</b>		Flagstaff Meadows WWTP			<b>Treatment Facility Permitted Flow</b>		0.025 MGD
<b>Street Address 2</b>							
<b>City/State/Zip</b>							
<b>Wastewater System Number:</b>		APP # 104083					
<b>System Capacity Affirmation (Agent, Date)</b>		Lonnie McCleve 6/17/03					
<b>Design Documents Approved</b>		<b>Date</b>		<b>Nearest Town</b>		<b>Bellemont</b>	
Application		6/3/03		<b>Location of Distribution System</b>			
Site Plan		6/4/03		Township 21N Range 5E			
Design Plan		5/21/03		Section 1 Quarter Section NE			
Operations & Maintenance Plan				Latitude		35° 11' 02"	
Response Letter				Longitude		111° 37' 11"	
Other							
<b>SPECIAL PROVISIONS:</b>							
<p><b>Provisional Verification of General Permit Conformance:</b> This Provisional Verification of General Permit Conformance is issued in accordance with Arizona Administrative Code Title 18, Chapter 9, Article 3, Part A, Section A301. The applicant is authorized to construct the facility at the location specified herein under terms and conditions of the requested general permit and applicable requirements of Arizona Revised Statutes Title 49, Chapter 2, and Arizona Administrative Code Title 18, Chapter 9. The applicant has two years from the approval date of this document to complete construction and submit the applicable verification documents specified in A.A.C. R18-9-E301(E). Construction shall conform with the approved design documents.</p> <p>An Applicant may not discharge (start operating) until receiving a written VERIFICATION OF GENERAL PERMIT CONFORMANCE from ADEQ per A.A.C. R18-9-A301 (A) (4)</p>							
				Manager, NRO Water Quality Design Review Unit		11/4/03	
Kurt J. Harris, P.E.				Title		Date Approved	

KH1:TH2

cc: ADEQ/NRO Reading File ADEQ/NRO Construction File County P&Z

ADEQ/NRO, 1515 E. Cedar Ave., Suite F, Flagstaff, AZ 86004

(928) 779-0313

1(877) 602-3675 x2719

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# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

## ENGINEER'S CERTIFICATE OF COMPLETION (ECOC)

To Verify a Sewage Collection System  
Constructed Under General Aquifer Protection Permits 4.01

<b>Applicant Information</b>		<b>ADEQ Construction File Number</b>	
Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001		20030345	
		<b>Project Name</b>	
		Flagstaff Meadows Townhomes	
<b>Responsible Engineer's Information</b>		<b>Affix seal per AAC R4-30-304(B)</b>	
Greg Allen 2550 N Thunderbird Cir #132 Mesa, AZ 85215			
Fax Number			
Phone Number			
<b>Project Description</b>			
I, _____ (print name), a Professional Engineer registered in the State of Arizona, provide the following as evidence that the construction of the above described project was completed, to the best of my knowledge, in compliance with the Provisional Verification of General Permit Conformance or with allowed changes as reflected in as-built plans.			
<i>*Note: A change made during construction in location, configuration, dimension, depth, material, or installation procedure is allowed under A.A.C. R18-9-A301(D)(1)(e) only if the change continues to conform with the specific standard in rule used as the basis of design. Any such changes must be recorded on the site plan.</i>			
<b>For Agency Use Only</b>			
Date Rec'd		Constructed Within 2 Years?	Yes <input type="checkbox"/> No <input type="checkbox"/>
			LTF No. <input type="text"/>

Items 1 through 5 below must be completed by Engineer of Record who's seal appears above.



<b>1. CONSTRUCTION WORK PERFORMED</b>					
<input type="checkbox"/> The work on this project was completed on _____ (date) by the following:					
Contractor Name				License Type	
Worked Performed					
Contractor Name				License Type	
Worked Performed					
Contractor Name				License Type	
Worked Performed					
<input type="checkbox"/> List of additional contractors is attached.					
<b>2. TEST RESULTS</b>					
<input type="checkbox"/> Preoperational acceptance tests ( <i>deflection, leakage, uniform slope, pressure, manhole, etc.</i> ) were conducted by the following and satisfactorily meet regulatory requirements.					
Contractor/Agency Name		License Type	Tests Performed		Satisfactory Results
					Yes <input type="checkbox"/> No <input type="checkbox"/>
					Yes <input type="checkbox"/> No <input type="checkbox"/>
					Yes <input type="checkbox"/> No <input type="checkbox"/>
					Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> List of additional testing entities is attached.					
<b>3. CONSTRUCTION PLANS (Either 3a or 3b must be checked and information provided as applicable)</b>					
<input type="checkbox"/> a. The original construction plans submitted with the Notice of Intent to Discharge accurately reflect final location, configuration, and construction of components.					
<input type="checkbox"/> b. As-built plans were completed by _____ registered as a professional _____ Arizona Certificate Number _____ and are attached. (Changes to the as-built plans should be identified by "highlighting" or other conspicuous method).					
<b>4. OPERATION &amp; MAINTENANCE (O&amp;M) PLAN (Either 4a, 4b, or 4c must be checked and information provided as applicable)</b>					
<input type="checkbox"/> a. An O&M plan is not required (the design flow of this project is not more than 10,000 gallons per day).					
<input type="checkbox"/> b. The original operation and maintenance plan submitted with the Notice of Intent to Discharge is correct and should be considered the final plan per A.A.C. R18-9-E301(E)(3).					
<input type="checkbox"/> c. A final operation and maintenance plan is attached.					
<b>5. OTHER INFORMATION REQUIRED BY THE DEPARTMENT UNDER A.A.C. R18-9-E301(E)(2)(Either 5a or 5b must be checked and information provided as applicable)</b>					
<input type="checkbox"/> a. No other information was required.					
<input type="checkbox"/> b. Other required information is attached					



# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

## Certificate of Approval to Construct a Water Distribution System

<b>Applicant Information:</b>		<b>Place ID</b>	19421	<b>ADEQ CF #</b>	20030345	<b>LTF #</b>	30263
<b>Name</b>	Jerry Abbott			<b>Project Name</b>	Flagstaff Meadows Townhomes		
<b>Mail Address 1</b>	3726 S Wild West Trail			<b>County</b>	Coconino		
<b>Mail Address 2</b>	Flagstaff, AZ 86001						
<b>City/State/Zip</b>							
<b>Project Type(s)</b>		<b>Project Description</b>					
<input checked="" type="checkbox"/>	<b>Pressure Main</b>	<input type="checkbox"/>	<b>Storage Tank</b>	2350' 8" PVC, 6 hydrants and 105 residential service connections			
<input type="checkbox"/>	<b>Hydro Tank</b>	<input type="checkbox"/>	<b>Other</b>				
<b>Facility Name</b>	Bellemont Truck Center						
<b>Street Address 1</b>							
<b>Street Address 2</b>							
<b>City/State/Zip</b>							
<b>System Capacity Affirmation (Agent, Date)</b>				Lonnie McCleve			
<b>PWS ID #</b>	3300			<b>Site Information</b>			
<b>Design Documents Approved</b>		<b>Date</b>		<b>Nearest Town</b>		<b>Bellemont</b>	
Application		6/3/03		<b>Location of Distribution System</b>			
Site Plan		6/4/03		Township 21N Range 5E			
Design Plan		5/21/03		Section 1 Quarter Section NE			
Operations & Maintenance Plan				Latitude	35° 11' 02"		
Response Letter				Longitude	111° 37' 11"		
Other							

Approval to Construct (ATC) the above-described facilities as represented in the approved plans documents on file the with the Arizona Department of Environmental Quality, is hereby given subject to the following provisions.

The General Provisions and Special Provisions for the Water Distribution System appear on Pages 2 of 2

KH1/th2

### CERTIFICATE DISTRIBUTION

#### Original Certificate:

Applicant

#### Certificate Copy Only:

ADEQ/NRO Reading File  
ADEQ/NRO Construction File  
County P&Z  
Greg Allen

2550 N Thunderbird Cir #132  
Mesa, AZ 85215

Stephen A. Owens, Director  
Arizona Department of Environmental Quality

By

Kurt J. Harris, P.E., Manager  
Water Quality Design Review Unit  
Northern Regional Office

Date Approved

1(877) 602-3675 x2719

ADEQ/NRO, 1515 E. Cedar Ave., Suite F, Flagstaff, AZ 86004

(928) 779-0313

**General Provisions**

1. A public water system shall be designed using good engineering practices. A public water system which is designed in a manner consistent with the criteria contained in Engineering Bulletin No. 10, "Guidelines for the Construction of Water Systems."
2. This Approval to Construct becomes void if an extension of time is not granted by the Department within 90 days after passage of one of the following [R18-4-505(E)]:
  - A. Construction does not begin within one year after the date the Approval to Construct is issued, or
  - B. There is a halt in construction of more than one year, or
  - C. Construction is not completed within three years after the date construction begins.
3. All construction shall conform to approved plans and specifications. Should it be necessary or desirable to make a change in the approved design which will affect water quality, capacity, flow, sanitary features, or performance, the revised plans and specifications, together with a written statement of the reasons for such a change, shall be submitted to the Department for review, and approval shall be obtained in writing before the construction affected by the change is undertaken. Revisions not affecting water quality, capacity, flow, sanitary features, or performance may be permitted during construction without further approval if record drawings documenting these changes, prepared by a professional engineer registered in the state of Arizona, are submitted to the Department, pursuant to A.A.C. R18-4-508.
4. Notice shall be given to the Northern Regional Office (NRO) in Flagstaff (1-877-602-3675) and to County P&Z Department when construction of the project begins to allow for inspection during construction per A.R.S. § 49-104(B)(10).  
**Contact Mr. Steve Camp x2712 at least seven days prior to the start of construction, and again at least ten day before the end of construction.**
5. Operation of a newly constructed facility shall not begin until an Approval of Construction (AOC) is issued by the Department per A.A.C. R18-4-507(A). Failure to comply with A.A.C. R18-4-507(A) will result in a Notice of Violation (NOV).
6. The following requirements shall be met before an AOC will be issued by the Department on a newly constructed public water system, an extension to an existing public water system, or any alterations of an existing public water system, or any alteration of an existing public water system which affects its treatment, capacity, water quality, flow, distribution, or operational performance [R18-4-507(B)]:
  - A. A professional engineer, registered in the state of Arizona, or a person under the direct supervision thereof, shall complete a final inspection and submit a Certificate of Completion on a form approved by the Department to which the seal and signature of the registrant have been affixed;
  - B. The construction conforms to approved plans and specifications, as indicated in the Certificate of Completion, and all changes have been documented by the submission of record drawings, pursuant to R18-4-508;
  - C. An operations and maintenance manual has been submitted and approved by the Department if construction includes a new water treatment facility; and
  - D. An operator, who is certified by the Department at a grade appropriate for each facility, is employed to operate each water treatment plant and the potable water distribution system.

After receipt of the items outlined above, NRO will review the file and, if in order, will issue an Approval of Construction (AOC).

7. A minimum pressure of 20 psi shall be provided at all points in the distribution lines at all times.
8. All materials and products that come into contact with drinking water or drinking water treatment chemicals must comply with NSF Standard 61. Any "or equal" substitution shall also meet NSF Standard 61. Materials which do not meet NSF Standard 61 may be considered if they otherwise comply with A.R.S. § 49-353.01.
9. Backflow prevention shall be provided in accordance with R18-4-115 and/or local ordinances.
10. The open end of each air relief pipe from automatic valves shall extend at least one foot above grade and shall incorporate pipe elbows to cause the opening, permanently covered with #16 mesh screen, to face downward.
11. This certificate voids and supersedes all previous "Approvals to Construct" issued previously for this file number.
12. Potable water line and sewer line separation shall meet A.A.C. R18-4-502. Reclaimed water line and potable water line separation shall meet A.A.C. R18-9-602. The separation requirements of A.A.C. R18-4-502 shall extend to all water line services and sewer line services within the right-of-way. Separation of water and sewer line on individual private property shall meet the requirements of the Uniform Plumbing Code.
13. Construction material used in a public water system, including residential and non-residential facilities connected to the public water system, shall be lead free as defined at R18-4-101(46).

**Special Provisions**

None

**End of Provisions**

*Kurt J. Harris* 11-4-03  
Kurt J. Harris, P.E.

# ENGINEER'S CERTIFICATE OF COMPLETION AND FINAL INSPECTION "ECC"

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ) - WATER QUALITY DIVISION

J:\shared\WEDRIA\APPLICATIONS-DrinkingWater\ECC-DrinkWtr 5/01

ADEQ FILE NO.: 20030345	COUNTY: Coconino
OWNER: Jerry Abbott	
Project Name: Flagstaff Meadows Town homes	
Project Description:	

(as shown on Approval to Construct, unless completed project differed, in which case describe in detail)

I, \_\_\_\_\_ (print name), a Professional Engineer registered in the State of Arizona, have inspected the construction of the above described project, and certify that (check all applicable boxes, complete applicable blanks):

ITEMS 1) THRU 4) MUST BE COMPLETED

- ☐ 1) The work on this project was completed on \_\_\_\_\_ (date).
  - ☐ 2) On \_\_\_\_\_ (date) a final construction inspection was conducted by ☐ MYSELF [-check one-] ☐ under MY DIRECT SUPERVISION by \_\_\_\_\_ (print name).
  - ☐ 3) The materials utilized and the installation and construction of those materials and equipment are in conformance with the approved plans and specifications
  - ☐ 4) All provisions listed in the ADEQ Approval to Construct for this project, a copy of which I have attached to this certificate, have been fully satisfied or exceptions are listed on the reverse side of this certificate.
  - ☐ 5) All construction and preoperational tests (infiltration, exfiltration, pressure, deflection, chlorination, bacti, etc.) [circle types performed] were properly conducted, met ADEQ requirements, and are presented in attachments to this Certificate. The total number of pages of test results attached is \_\_\_\_\_.
- EITHER 6A) or 6B) MUST BE CHECKED
- ☐ 6A) Any deviation from the approved plans and the ADEQ Certificate of Approval to Construct have been noted on the attached "As-Built" plans (as stipulated in the Approval to Construct provisions) prepared and sealed pursuant to A.R.S. § 32-125 on \_\_\_\_\_ (date). Of the total \_\_\_\_\_ sheets of "As-Built" plans attached, deviations from the approved plans are shown on sheets numbered \_\_\_\_\_. All deviations from the approved plans comply with the ADEQ minimum design and construction standards contained in statute, rule, bulletin or referenced codes, and with the key elements of the approved plans.
  - ☐ 6B) The completed project did not deviate from the plans which received the Approval to Construct.
- EITHER 7A) or 7B) MUST BE CHECKED
- ☐ 7A) This project did not require the preparation of an Operation and Maintenance Manual (the only projects which do NOT require an O&M manual are gravity-only sewage collection systems, single-family residence septic systems, and drinking water distribution projects that include no source, storage, or pressurization facilities).
  - ☐ 7B) A FINAL Operation and Maintenance Manual has been prepared for this project and a copy is attached. This manual meets all ADEQ minimum design and construction standards contained in statute, rule, bulletin, referenced codes, the key elements of the approved plans, and, if applicable, with Attachment B of the September 10, 1994 Engineering Advisory for Individual Alternate Systems.
- EITHER 8A) or 8B) MUST BE CHECKED
- ☐ 8A) Review of this project for Approval of Construction issuance does not require a fee because this project involves only drinking water, not wastewater.
  - ☐ 8B) In accordance with A.A.C. R18-14-103 Schedule B, a check in the amount of \$ \_\_\_\_\_ is attached as initial fee for review of the submitted and other information for issuance of an Approval of Construction.

ADDITIONAL INFORMATION

9) Other, see additional information on reverse side.

Engineer Address \_\_\_\_\_

Phone \_\_\_\_\_

AZ DEPARTMENT OF ENVIRONMENTAL QUALITY ACCEPTANCE

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EMPLOYEE SIGNATURE \_\_\_\_\_ (PRINTED NAME) \_\_\_\_\_ DATE \_\_\_\_\_

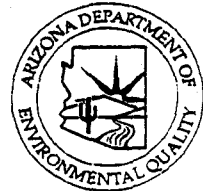
ENGINEER'S SEAL per AAC R4-30-304.B



Janet Napolitano  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • [www.adeq.state.az.us](http://www.adeq.state.az.us)



Stephen A. Owens  
Director

November 04, 2003

Jerry Abbott  
3726 S Wild West Trail  
Flagstaff, AZ 86001

Re: *Flagstaff Meadows Townhomes CF# 20030345*

Dear Mr. Abbott:

The Arizona Department of Environmental Quality (ADEQ), Wastewater Design Review Unit has completed the preconstruction review for the above sewage collection system. Enclosed is the Provisional Verification of General Permit Conformance for Sewage Collection System General Permit 4.01, formerly known as an Approval to Construct.

According to R18-9-A301(D)(1)(f), after completing construction of the sewage collection system and prior to discharging to the system, the permittee is required to submit to the Department applicable verification that the construction meets the requirements of General Permit 4.01. After completion of construction, please submit the enclosed Engineer's Certificate of Completion (ECC), one set of as-built plans, and all required test results to:

Arizona Department of Environmental Quality  
ATTN: Engineering Review Desk  
1515 E Cedar Ave Suite F  
Flagstaff, AZ 86004

Once ADEQ determines that the construction meets the requirements of R18-9-E301, then a Verification of General Permit Conformance for Sewage Collection System General Permit 4.01 will be issued, and the permittee may begin discharging wastewater to the system.

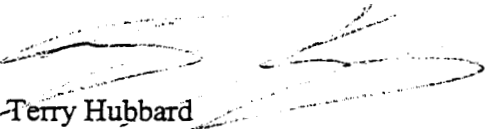
If the Department does not receive verification within two years of the date of the Provisional Verification, the applicant is prohibited from continuing construction, and the applicant is required to submit a new Notice of Intent to Discharge and any applicable review fees to begin or continue construction.

*Flagstaff Meadows Townhomes CF# 20030345*

11/04/03

Page 2

Sincerely,



Terry Hubbard

Reviewer

Water Quality Plan Review Unit

Enclosures:

Provisional Verification

Engineer Certificate of Completion

cc:

Greg Allen 2550 N Thunderbird Cir #132 Mesa, AZ 85215  
County Health Dept.



# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

## Certificate of Approval to Construct a Water Distribution System

<b>Applicant Information:</b>		<b>Place ID</b>	19323	<b>ADEQ CF #</b>	20030322	<b>LTF #</b>	30172
<b>Name</b> Jerry Abbott		<b>Mail Address 1</b> 3726 S Wild West Trail <b>Mail Address 2</b> Flagstaff, AZ 86001 <b>City/State/Zip</b>		<b>Project Name</b> Flagstaff Meadows Unit 2			
				<b>County</b> Coconino			
<b>Project Type(s)</b>			<b>Project Description</b>				
x	<b>Pressure Main</b>		<b>Storage Tank</b>	4300' 8" PVC, 8 hydrants and 88 residential service connections			
	<b>Hydro Tank</b>		<b>Other</b>				
<b>Facility Name</b> Belmont Truck Center							
<b>Street Address 1</b>							
<b>Street Address 2</b>							
<b>City/State/Zip</b>							
<b>System Capacity Affirmation (Agent, Date)</b>				Lonnie McCleve			
<b>PWS ID #</b>		3300		<b>Site Information</b>			
<b>Design Documents Approved</b>		<b>Date</b>		<b>Nearest Town</b>		<b>Belmont</b>	
Application		6/3/03		<b>Location of Distribution System</b>			
Site Plan		6/4/03		<b>Township 21N</b>		<b>Range 5E</b>	
Design Plan		5/21/03		<b>Section 1</b>		<b>Quarter Section NE</b>	
Operations & Maintenance Plan				<b>Latitude</b>		35° 11' 02"	
Response Letter				<b>Longitude</b>		111° 37' 11"	
Other							

Approval to Construct (ATC) the above-described facilities as represented in the approved plans documents on file the with the Arizona Department of Environmental Quality, is hereby given subject to the following provisions.

The General Provisions and Special Provisions for the Water Distribution System appear on Pages 2 of 2

KH1/th2

### CERTIFICATE DISTRIBUTION

#### Original Certificate:

Applicant

#### Certificate Copy Only:

ADEQ/NRO Reading File  
ADEQ/NRO Construction File  
County P&Z  
Greg Allen

2550 N Thunderbird Cir #132  
Mesa, AZ 85215

Stephen A. Owens, Director  
Arizona Department of Environmental Quality

By

*Kurt J. Harris* 11-4-03  
Kurt J. Harris, P.E., Manager  
Water Quality Design Review Unit  
Northern Regional Office

Date Approved

**General Provisions**

1. A public water system shall be designed using good engineering practices. A public water system which is designed in a manner consistent with the criteria contained in Engineering Bulletin No. 10, "Guidelines for the Construction of Water Systems,"
2. This Approval to Construct becomes void if an extension of time is not granted by the Department within 90 days after passage of one of the following [R18-4-505(E)]:
  - A. Construction does not begin within one year after the date the Approval to Construct is issued, or
  - B. There is a halt in construction of more than one year, or
  - C. Construction is not completed within three years after the date construction begins.
3. All construction shall conform to approved plans and specifications. Should it be necessary or desirable to make a change in the approved design which will affect water quality, capacity, flow, sanitary features, or performance, the revised plans and specifications, together with a written statement of the reasons for such a change, shall be submitted to the Department for review, and approval shall be obtained in writing before the construction affected by the change is undertaken. Revisions not affecting water quality, capacity, flow, sanitary features, or performance may be permitted during construction without further approval if record drawings documenting these changes, prepared by a professional engineer registered in the state of Arizona, are submitted to the Department, pursuant to A.A.C. R18-4-508.
4. Notice shall be given to the Northern Regional Office (NRO) in Flagstaff (1-877-602-3675) and to County P&Z Department when construction of the project begins to allow for inspection during construction per A.R.S. § 49-104(B)(10).

**Contact Mr. Steve Camp x2712 at least seven days prior to the start of construction, and again at least ten day before the end of construction.**

5. Operation of a newly constructed facility shall not begin until an Approval of Construction (AOC) is issued by the Department per A.A.C. R18-4-507(A). Failure to comply with A.A.C. R18-4-507(A) will result in a Notice of Violation (NOV).
6. The following requirements shall be met before an AOC will be issued by the Department on a newly constructed public water system, an extension to an existing public water system, or any alterations of an existing public water system, or any alteration of an existing public water system which affects its treatment, capacity, water quality, flow, distribution, or operational performance [R18-4-507(B)]:
  - A. A professional engineer, registered in the state of Arizona, or a person under the direct supervision thereof, shall complete a final inspection and submit a Certificate of Completion on a form approved by the Department to which the seal and signature of the registrant have been affixed;
  - B. The construction conforms to approved plans and specifications, as indicated in the Certificate of Completion, and all changes have been documented by the submission of record drawings, pursuant to R18-4-508;
  - C. An operations and maintenance manual has been submitted and approved by the Department if construction includes a new water treatment facility; and
  - D. An operator, who is certified by the Department at a grade appropriate for each facility, is employed to operate each water treatment plant and the potable water distribution system.

After receipt of the items outlined above, NRO will review the file and, if in order, will issue an Approval of Construction (AOC).

7. A minimum pressure of 20 psi shall be provided at all points in the distribution lines at all times.
8. All materials and products that come into contact with drinking water or drinking water treatment chemicals must comply with NSF Standard 61. Any "or equal" substitution shall also meet NSF Standard 61. Materials which do not meet NSF Standard 61 may be considered if they otherwise comply with A.R.S. § 49-353.01.
9. Backflow prevention shall be provided in accordance with R18-4-115 and/or local ordinances.
10. The open end of each air relief pipe from automatic valves shall extend at least one foot above grade and shall incorporate pipe elbows to cause the opening, permanently covered with #16 mesh screen, to face downward.
11. This certificate voids and supersedes all previous "Approvals to Construct" issued previously for this file number.
12. Potable water line and sewer line separation shall meet A.A.C. R18-4-502. Reclaimed water line and potable water line separation shall meet A.A.C. R18-9-602. The separation requirements of A.A.C. R18-4-502 shall extend to all water line services and sewer line services within the right-of-way. Separation of water and sewer line on individual private property shall meet the requirements of the Uniform Plumbing Code.
13. Construction material used in a public water system, including residential and non-residential facilities connected to the public water system, shall be lead free as defined at R18-4-101(46).

**Special Provisions**

None

**End of Provisions**

*[Signature]* 11-4-03  
Kurt J. Harris, P.E.



# ENGINEER'S CERTIFICATE OF COMPLETION AND FINAL INSPECTION "ECC"

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ) - WATER QUALITY DIVISION

J:\shared\WEDRI\APPLICATIONS-DrinkingWater\ECC-DrinkWtr 5/01

ADEQ FILE NO.: 20030322

COUNTY: Coconino

OWNER: Jerry Abbott

Project Name: Flagstaff Meadows Unit 2

Project Description:

*(as shown on Approval to Construct, unless completed project differed, in which case describe in detail)*

I, \_\_\_\_\_ (print name), a Professional Engineer registered in the State of Arizona, have inspected the construction of the above described project, and certify that (check all applicable boxes, complete applicable blanks):

ITEMS 1) THRU 4) MUST BE COMPLETED

- ☐ 1) The work on this project was completed on \_\_\_\_\_ (date).
- ☐ 2) On \_\_\_\_\_ (date) a final construction inspection was conducted by ☐ MYSELF [-check one-] ☐ under MY DIRECT SUPERVISION by \_\_\_\_\_ (print name).
- ☐ 3) The materials utilized and the installation and construction of those materials and equipment are in conformance with the approved plans and specifications
- ☐ 4) All provisions listed in the ADEQ Approval to Construct for this project, a copy of which I have attached to this certificate, have been fully satisfied or exceptions are listed on the reverse side of this certificate.
- ☐ 5) All construction and preoperational tests (infiltration, exfiltration, pressure, deflection, chlorination, bacti, etc.) [circle types performed] were properly conducted, met ADEQ requirements, and are presented in attachments to this Certificate. The total number of pages of test results attached is \_\_\_\_\_.
- EITHER 6A) or 6B) MUST BE CHECKED
- ☐ 6A) Any deviation from the approved plans and the ADEQ Certificate of Approval to Construct have been noted on the attached "As-Built" plans (as stipulated in the Approval to Construct provisions) prepared and sealed pursuant to A.R.S. § 32-125 on \_\_\_\_\_ (date). Of the total \_\_\_\_\_ sheets of "As-Built" plans attached, deviations from the approved plans are shown on sheets numbered \_\_\_\_\_. All deviations from the approved plans comply with the ADEQ minimum design and construction standards contained in statute, rule, bulletin or referenced codes, and with the key elements of the approved plans.
- ☐ 6B) The completed project did not deviate from the plans which received the Approval to Construct.
- EITHER 7A) or 7B) MUST BE CHECKED
- ☐ 7A) This project did not require the preparation of an Operation and Maintenance Manual (the only projects which do NOT require an O&M manual are gravity-only sewage collection systems, single-family residence septic systems, and drinking water distribution projects that include no source, storage, or pressurization facilities).
- ☐ 7B) A FINAL Operation and Maintenance Manual has been prepared for this project and a copy is attached. This manual meets all ADEQ minimum design and construction standards contained in statute, rule, bulletin, referenced codes, the key elements of the approved plans, and, if applicable, with Attachment B of the September 10, 1994 Engineering Advisory for Individual Alternate Systems.
- EITHER 8A) or 8B) MUST BE CHECKED
- ☐ 8A) Review of this project for Approval of Construction issuance does not require a fee because this project involves only drinking water, not wastewater.
- ☐ 8B) In accordance with A.A.C. R18-14-103 Schedule B, a check in the amount of \$ \_\_\_\_\_ is attached as initial fee for review of the submitted and other information for issuance of an Approval of Construction.

ADDITIONAL INFORMATION

9) Other, see additional Information on reverse side.

Engineer Address \_\_\_\_\_

Phone \_\_\_\_\_

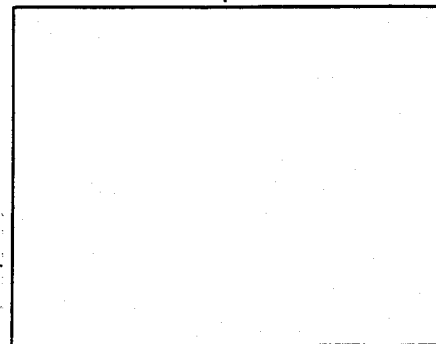
AZ DEPARTMENT OF ENVIRONMENTAL QUALITY ACCEPTANCE

EMPLOYEE SIGNATURE

(PRINTED NAME)

DATE

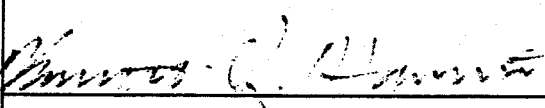
ENGINEER'S SEAL per AAC R4-30-304.B





# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

## Provisional Verification of General Permit Conformance for Sewage Collection System General Permit 4.01

<b>Applicant Information:</b>		<b>PLACE ID</b>	19323	<b>ADEQ CF#</b>	20030322	<b>LTF No.</b>	30170
<b>Name</b> Jerry Abbott <b>Mail Address 1</b> 3726 S Wild West Trail <b>Mail Address 2</b> Flagstaff, AZ 86001 <b>City/State/Zip</b>		<b>Project Name</b> Flagstaff Meadows Unit 2		<b>County</b> Coconino			
<b>Project Type(s)</b>			<b>GENERAL PROJECT DESCRIPTION</b>				
<input checked="" type="checkbox"/>	<b>Gravity Main</b>	<input type="checkbox"/>	<b>Force Main</b>	4300' 8" PVC , 17 manholes, and 88 residential service connections			
<input type="checkbox"/>	<b>Lift Station</b>	<input type="checkbox"/>	<b>Other</b>				
<b>Treatment Facility Address 1</b> Street Address 2 City/State/Zip		Flagstaff Meadows WWTP			<b>Treatment Facility Permitted Flow</b>		0.025 MGD
<b>Wastewater System Number:</b>		APP # 104083					
<b>System Capacity Affirmation (Agent, Date)</b>		Lonnie McCleve 6/17/03					
<b>Design Documents Approved</b>		<b>Date</b>		<b>Nearest Town</b>		<b>Bellemont</b>	
Application		6/3/03		<b>Location of Distribution System</b>			
Site Plan		6/4/03		<b>Township 21N Range 5E</b>			
Design Plan		5/21/03		<b>Section 1 Quarter Section NE</b>			
Operations & Maintenance Plan				<b>Latitude</b>		35° 11' 02"	
Response Letter				<b>Longitude</b>		111° 37' 11"	
Other							
<b>SPECIAL PROVISIONS:</b>							
<p><b>Provisional Verification of General Permit Conformance:</b> This Provisional Verification of General Permit Conformance is issued in accordance with Arizona Administrative Code Title 18, Chapter 9, Article 3, Part A, Section A301. The applicant is authorized to construct the facility at the location specified herein under terms and conditions of the requested general permit and applicable requirements of Arizona Revised Statutes Title 49, Chapter 2, and Arizona Administrative Code Title 18, Chapter 9. The applicant has two years from the approval date of this document to complete construction and submit the applicable verification documents specified in A.A.C. R18-9-E301(E). Construction shall conform with the approved design documents.</p> <p>An Applicant may not discharge (start operating) until receiving a written VERIFICATION OF GENERAL PERMIT CONFORMANCE from ADEQ per A.A.C. R18-9-A301 (A) (4)</p>							
				Manager, NRO Water Quality Design Review Unit		6/17/03	
<b>Kurt J. Harris, P.E.</b>				<b>Title</b>		<b>Date Approved</b>	

KH1/TH2

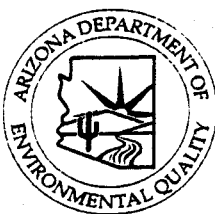
cc: ADEQ/NRO Reading File ADEQ/NRO Construction File County P&amp;Z

ADEQ/NRO, 1515 E. Cedar Ave., Suite F, Flagstaff, AZ 86004

(928) 779-0313

1(877) 602-3675 x2719

J:\temp\2003\Coconino\PRO\_VER\_SEWER\_081803\_Coconino\_Bellemont\_FlagstaffMeadowsUnit2\_20030322\_30170\_Gamer.wpd



# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

## ENGINEER'S CERTIFICATE OF COMPLETION (ECOC)

To Verify a Sewage Collection System  
Constructed Under General Aquifer Protection Permits 4.01

<b>Applicant Information</b>		<b>ADEQ Construction File Number</b>			
Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001		20030322			
		<b>Project Name</b>			
		Flagstaff Meadows Unit 2			
<b>Responsible Engineer's Information</b>		<b>Affix seal per AAC R4-30-304(B)</b>			
Greg Allen 2550 N Thunderbird Cir #132 Mesa, AZ 85215					
Fax Number					
Phone Number					
<b>Project Description</b>					
I, _____ (print name), a Professional Engineer registered in the State of Arizona, provide the following as evidence that the construction of the above described project was completed, to the best of my knowledge, in compliance with the Provisional Verification of General Permit Conformance or with allowed changes as reflected in as-built plans.					
<i>*Note: A change made during construction in location, configuration, dimension, depth, material, or installation procedure is allowed under A.A.C. R18-9-A301(D)(1)(e) only if the change continues to conform with the specific standard in rule used as the basis of design. Any such changes must be recorded on the site plan.</i>					
<b>For Agency Use Only</b>					
Date Rec'd		Constructed Within 2 Years?	Yes <input type="checkbox"/> No <input type="checkbox"/>	LTF No.	

Items 1 through 5 below must be completed by Engineer of Record who's seal appears above.

<b>1. CONSTRUCTION WORK PERFORMED</b>						
<input type="checkbox"/> The work on this project was completed on _____ (date) by the following:						
Contractor Name				License Type		
Worked Performed						
Contractor Name				License Type		
Worked Performed						
Contractor Name				License Type		
Worked Performed						
<input type="checkbox"/> List of additional contractors is attached.						
<b>2. TEST RESULTS</b>						
<input type="checkbox"/> Preoperational acceptance tests ( <i>deflection, leakage, uniform slope, pressure, manhole, etc.</i> ) were conducted by the following and satisfactorily meet regulatory requirements.						
Contractor/Agency Name		License Type	Tests Performed		Satisfactory Results	
					Yes <input type="checkbox"/> No <input type="checkbox"/>	
					Yes <input type="checkbox"/> No <input type="checkbox"/>	
					Yes <input type="checkbox"/> No <input type="checkbox"/>	
					Yes <input type="checkbox"/> No <input type="checkbox"/>	
<input type="checkbox"/> List of additional testing entities is attached.						
<b>3. CONSTRUCTION PLANS (Either 3a or 3b must be checked and information provided as applicable)</b>						
<input type="checkbox"/> a. The original construction plans submitted with the Notice of Intent to Discharge accurately reflect final location, configuration, and construction of components.						
<input type="checkbox"/> b. As-built plans were completed by _____ registered as a professional _____ Arizona Certificate Number _____ and are attached. (Changes to the as-built plans should be identified by "highlighting" or other conspicuous method).						
<b>4. OPERATION &amp; MAINTENANCE (O&amp;M) PLAN (Either 4a, 4b, or 4c must be checked and information provided as applicable)</b>						
<input type="checkbox"/> a. An O&M plan is not required (the design flow of this project is not more than 10,000 gallons per day).						
<input type="checkbox"/> b. The original operation and maintenance plan submitted with the Notice of Intent to Discharge is correct and should be considered the final plan per A.A.C. R18-9-E301(E)(3).						
<input type="checkbox"/> c. A final operation and maintenance plan is attached.						
<b>5. OTHER INFORMATION REQUIRED BY THE DEPARTMENT UNDER A.A.C. R18-9-E301(E)(2)(Either 5a or 5b must be checked and information provided as applicable)</b>						
<input type="checkbox"/> a. No other information was required.						
<input type="checkbox"/> b. Other required information is attached						

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



## CERTIFICATE OF APPROVAL OF SANITARY FACILITIES FOR SUBDIVISIONS

<b>SUBDIVIDER NAME</b> Mailing Address 1 Mailing Address 2 City/State/Zip	Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001	<b>LOTS</b>  134-221    88 lots	<b>ADEQ CF#</b>  20030322	Place ID 19323
<b>NEAREST TOWN</b>  Williams			<b>USAS#</b>  505253-00	<b>LTF#</b>  30171
<b>SUBDIVISION NAME</b>  Flagstaff Meadows Unit 2	<b>COUNTY</b>  Coconino			
<b>LOCATION</b>  bellemont				
<b>WATER SUPPLY</b>  Bellmont water system ID 03300				
<b>SEWAGE DISPOSAL</b>  Flagstaff Meadows 104083				
<b>REFUSE HAULER</b>  Waste Management				
<b>REFUSE DISPOSAL SITE</b>  Painted Desert Landfill				

The sanitary facilities of water supply, sewage disposal, and garbage disposal as represented by the approved plan documents on file with the Arizona Department of Environmental Quality (ADEQ) are hereby approved subject to the following provisions:

1. The water supply for this development has been determined to be inadequate by the Arizona Department of Water Resources per A.A.C. R12-15-703(B)(c)

This Certificate of Approval of Sanitary Facilities does **NOT** constitute an Individual or General Aquifer Protection Permit for the sewage collection system incorporated in this subdivision (see separate Provisional Verification of General Permit Conformance). This Certificate of Approval of Sanitary Facilities does **NOT** constitute an Approval to Construct Permit (ATC) for the water distribution system incorporated in this subdivision (see separate ATC).

KH1:TH2

**CERTIFICATE DISTRIBUTION**

**Original Certificate and Plat:**  
ADEQ/NRO Construction File

**Certificate Copy and Plat:**  
Applicant

**Certificate Copy Only:**  
ADEQ/NRO Reading File  
ADRE  
Governing COG  
County Environmental Services  
County Development Services

**Stephens A. Owens, Director**  
**Arizona Department of Environmental Quality**

By:

Kurt J. Harris, P.E., Manager  
Water Quality Design Review Unit  
Northern Regional Office

11-4-03

Date Approved

J:\temp\2003\Coconino\CERT\_APPR\_SUB\_110403\_Coconino\_Bellemont\_FlagstaffMeadowsUnit2\_20030322\_30171\_Greene.wpd

8

FROM :

01-02-2004 03:54PM FROM-GREENFIELD LAND DEVELOPMENT

FAX NO. :

4808923387

Jan. 02 2004 03:51PM P1

T-807 P.001/001 F-358

**UTILITY SOURCE, LLC**

721 E. San Pedro  
Gilbert, Arizona 85234  
Work: 480-892-8756  
Fax: 480-892-3387

December 23, 2003

Haven Homes  
Bellemont, Arizona 86015

Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

Dear Mr. Justin Jobe:

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

To obtain that approval we must apply to the Commission for a Certificate of Convenience and Necessity ("CC&N"), to Coconino County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject services. The Commission requires us to request your consent as part of their Application. We request that you sign the acknowledgment below and return this letter to us in the enclosed, stamped and self addressed envelope.

Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,

  
Lonnie McCleave

**ACKNOWLEDGEMENT:**

We hereby request that our property be included in the Company's CC&N

  
Signature

Haven Homes  
Name (Print)

  
Street Address

Lots 23, 34, 36, 37 & 38, Flagstaff Meadows, Bellemont, Arizona 86015  
Lot Number, Tax Parcel #, or Legal Description

36100.00000.50

ATTACHMENT 8

UTILITY SOURCE, LLC

721 E. San Pedro  
Gilbert, Arizona 85234  
Work: 480-892-8756  
Fax: 480-892-3387

December 23, 2003

Microtel Inn  
Bellemont, Arizona 86015

Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

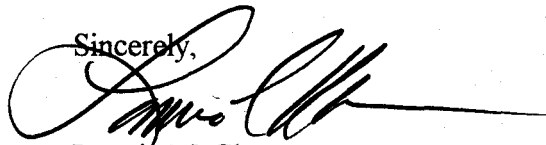
Dear Mr. Mason Lundell:

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

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Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

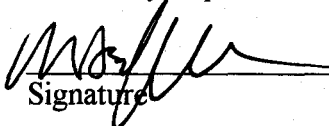
Sincerely,



Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N



Signature

Mason Lundell  
Name (Print)

P.O. Box 16122, Bellemont, Az  
Street Address

I-40, Exit 185  
Lot Number, Tax Parcel #, or Legal Description



UTILITY SOURCE, LLC

721 E. San Pedro  
Gilbert, Arizona 85234  
Work: 480-892-8756  
Fax: 480-892-3387

December 23, 2003

TGC Development

Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

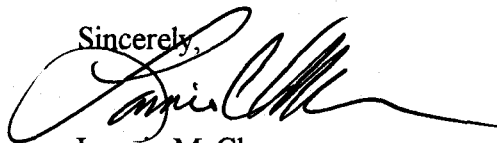
Dear Mr. Campbell:

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

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Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,



Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N



Signature

MASON LUNDELL  
Name (Print)

4491 N. Bellemont Springs, Bellemont, Az. 86015  
Street Address

Lots 1, 2, 6, 11, 14, 21, 26, 27, 56, 57, 58, 59,  
Lot Number, Tax Parcel #, or Legal Description  
122, 123, 124, 125, 126, 127, 128, 129, 130,  
131, 132, Flagstaff Meadows

UTILITY SOURCE, LLC

721 E. San Pedro  
Gilbert, Arizona 85234  
Work: 480-892-8756  
Fax: 480-892-3387

December 23, 2003

Mason and Carrie Lundell

Attn:

Fax:

Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity


Dear Mr. And Mrs. Lundell,

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

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Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,



Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N



Signature

MASON LUNDSELL  
Name (Print)

4340 N DEER SPRINGS  
Street Address

Lot 79  
Lot Number, Flagstaff Meadows, Bellemont, Arizona 86015

**UTILITY SOURCE, LLC**

**721 E. San Pedro  
Gilbert, Arizona 85234  
Work: 480-892-8756  
Fax: 480-892-3387**

December 23, 2003

Tim and Audra Campbell

Attn:

Fax:

Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

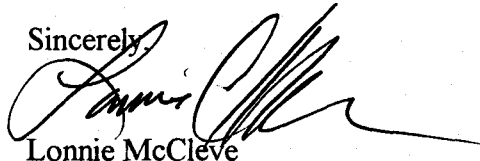
Dear Mr. And Mrs. Campbell,

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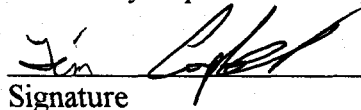
Sincerely,

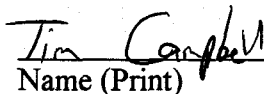


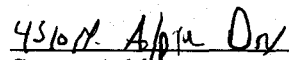
Lonnie McCleve


**ACKNOWLEDGEMENT:**

We hereby request that our property be included in the Company's CC&N

  
Signature

  
Name (Print)

  
Street Address

  
Lot Number, Flagstaff Meadows, Bellemont, Arizona 86015

**UTILITY SOURCE, LLC**  
**721 E. San Pedro**  
**Gilbert, Arizona 85234**  
**Work: 480-892-8756**  
**Fax: 480-892-3387**

December 23, 2003

Empire Residential  
Attn: Jerry Abbott  
Fax: #928-214-9682  
Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

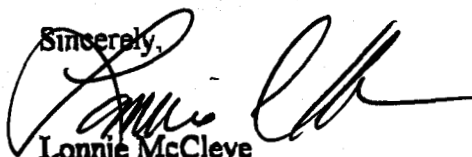
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Sincerely,

  
Lonnie McCleve

**ACKNOWLEDGEMENT:**

We hereby request that our property be included in the Company's CC&N

  
Signature

Jerry Abbott  
Name (Print)

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Lot Numbers, Flagstaff Meadows, Bellemont, Arizona 86015

**UTILITY SOURCE, LLC**  
721 E. San Pedro  
Gilbert, Arizona 85234  
Work: 480-892-8756  
Fax: 480-892-3387

December 23, 2003  
Empire Residential  
Attn: Jerry Abbott  
Fax: 928-214-9682  
Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

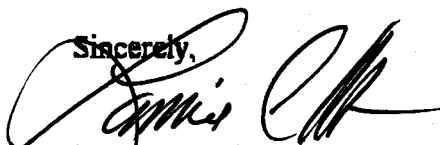
Dear Mr.

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Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,



Lonnie McCleve

**ACKNOWLEDGEMENT:**

We hereby request that our property be included in the Company's CC&N



Signature

Jerry Abbott  
Name (Print)

Street Address

Lot Numbers, Flagstaff Meadows Townhomes, Bellemont, Arizona 86015

**UTILITY SOURCE, LLC**

721 E. San Pedro  
Gilbert, Arizona 85234  
Work: 480-892-8756  
Fax: 480-892-3387

December 23, 2003

Empire Residential

Attn: Jerry Abbott

Fax: 928-214-9682

Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

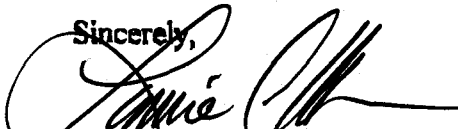
Dear Mr.

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Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,

  
Lonnie McCleve**ACKNOWLEDGEMENT:**

We hereby request that our property be included in the Company's CC&amp;N

  
SignatureJerry Abbott  
Name (Print)\_\_\_\_\_  
Street Address\_\_\_\_\_  
Lot Numbers, Flagstaff Meadows II, Bellemont, Arizona 86015

9

Richard L. Sallquist  
Sallquist & Drummond, P.C.  
2525 E. Arizona Biltmore Circle  
Suite A-117  
Phoenix, Arizona 85016  
Phone: (602)224-9222  
Fax: (602)224-9366  
Attorneys for Applicant

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION OF )  
UTILITY SOURCE, L.L.C. FOR A )  
CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO PROVIDE WATER AND )  
WASTEWATER SERVICE IN COCONINO )  
COUNTY, ARIZONA. )

DOCKET NO. WS-\_\_\_\_-\_\_-\_\_

IN THE MATTER OF THE APPLICATION OF )  
UTILITY SOURCE, L.L.C. FOR AUTHORITY )  
TO ISSUE PROMISSORY NOTE(S) AND )  
OTHER EVIDENCES OF INDEBTEDNESS )  
PAYABLE AT PERIODS OF MORE THAN )  
TWELVE MONTHS AFTER THE DATE OF )  
ISSUANCE. )

DOCKET NO. WS-\_\_\_\_-\_\_-\_\_

**AFFIDAVIT OF MAILING**

STATE OF ARIZONA )  
 )ss  
County of Maricopa )

1. I am Lonnie McCleve, Manager of Utility Source, L.L.C. My business address is 721  
E. San Pedro, Gilbert, Arizona 85234.
2. On February \_\_, 2004, I caused the Notice in the form attached hereto as Exhibit 1  
and incorporated herein by reference for all purposes, to be mailed by first class mail,  
postage prepaid, to all property owners within the Requested Expansion Area.
3. Further affiant sayeth naught.



1 DATED this \_\_\_\_ day of February, 2004.

2 UTILITY SOURCE, L.L.C.

3  
4 By: \_\_\_\_\_  
Lonnie McCleve

5 The foregoing instrument was acknowledged before me this \_\_\_\_ day of February, 2004,  
6 by Lonnie McCleve.

7  
8  
9 \_\_\_\_\_  
Notary Public  
10 My Commission Expires:

11 \_\_\_\_\_  
12 Original and fifteen copies of the  
13 foregoing filed this \_\_\_\_ day  
of February, 2004:

14 Docket Control  
15 Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

16 A copy of the foregoing filed  
17 this \_\_\_\_ day of February, 2004, to:

18 Hearing Division  
19 Arizona Corporation Commission  
400 W. Congress  
Tucson, Arizona 85701

20 Utilities Division  
21 Arizona Corporation Commission  
1200 West Washington  
22 Phoenix, Arizona 85007  
23

1 Legal Division  
Arizona Corporation Commission  
2 1200 West Washington  
Phoenix, Arizona 85007  
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**PUBLIC NOTICE OF AN APPLICATION  
FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY AND AN ORDER  
AUTHORIZING THE ISSUANCE OF PROMISSORY NOTE(S) AND OTHER  
EVIDENCE OF INDEBTEDNESS  
BY UTILITY SOURCE, L.L.C.**

Utility Source, L.L.C. has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water service to an area in which records indicate that you are a property owner. If the application is granted, Utility Source, L.L.C. would be the exclusive provider of those services to the proposed area. Utility Source, L.L.C. will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street or in Tucson at 400 West Congress, North Building, Room 218, and at Utility Source, L.L.C., 721 E. San Pedro, Gilbert, Arizona 85234.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

Additionally, the Company has filed an Application for an order authorizing Applicant to issue up to \$575,000 in promissory notes and other evidences of indebtedness.

Intervention in the Commission's proceedings on the Application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon the Applicant and which, at a minimum, shall contain the following information:

1. The name, address and telephone of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceedings.
3. Whether the proposed intervenor desires a formal evidentiary hearing on the Application and the reasons for such a hearing.
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, the 15<sup>th</sup> day after this notice.

If you have any questions or concerns about these applications, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000 or 400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148.